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SESSION 1945
HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

TUESDAY, OCTOBER 23, 1945

THURSDAY, OCTOBER 25, 1945

WITNESS:

Mr. H. H. Wrong, Assistant Under-Secretary of State for External Affairs

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945





ORDERS OF REFERENCE

Wednesday, October 10, 1945.

Resolved,—That the following members do compose the External Affairs Committee:

Messieurs

Beaudry,	Green,	Marquis,
Benidickson,	Hackett,	Mayhew,
Blanchette,	Isnor,	McIlraith,
Boucher	Jackman,	Mutch,
Bradette,	Jaques,	Picard,
Claxton,	Kidd,	Raymond (<i>Beauharnois-</i>
Coldwell,	Knowles,	<i>Lapairie</i>)
Croll,	Lapointe,	Reid,
Diefenbaker,	Leger,	Sinclair (<i>Ontario</i>),
Fleming,	Low,	Strum (Mrs.)
Fraser,	Macdonald (<i>Halifax</i>),	Tremblay,
Graydon,	MacInnis,	Winkler—35.

Attest

(Quorum 10)

ARTHUR BEAUCHESNE

Clerk of the House.

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest

ARTHUR BEAUCHESNE

Clerk of the House.

MONDAY, October 22, 1945.

Resolved.—That the following resolution be referred to the said Committee:

Resolved, That this House do approve of the Convention concerning the Protection against Accidents of Workers employed in Loading or Unloading Ships (Revised), which was adopted by the General Conference of the International Labour Organization of the League of Nations at its Sixteenth Session in Geneva on the 27th day of April, 1932, reading as follows:—

Convention (No. 32) concerning the protection against accidents of workers employed in loading or unloading ships (revised 1932)

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Sixteenth Session on 12th April, 1932, and

Having decided upon the adoption of certain proposals with regard to the partial revision of the Convention concerning the protection against accidents of workers employed in loading or unloading ships adopted by the Conference at its Twelfth Session, which is the fourth item on the Agenda of the Session, and

Considering that these proposals must take the form of a Draft International Convention,

adopts, this twenty-seventh day of April of the year one thousand nine hundred and thirty-two, the following Draft Convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1

For the purpose of this Convention—

(1) the term "processes" means and includes all or any part of the work performed on shore or on board ship of loading or unloading any ship whether engaged in maritime or inland navigation, excluding ships of war, in, on, or at any maritime or inland port, harbour, dock, wharf, quay or similar place at which such work is carried on; and

(2) the term "worker" means any person employed in the processes.

Article 2

Any regular approach over a dock, wharf, quay or similar premises which workers have to use for going to or from a working place at which the processes are carried on and every such working place on shore shall be maintained with due regard to the safety of the workers using them.

In particular,

(1) every said working place on shore and any dangerous parts of any said approach thereto from the nearest highway shall be safely and efficiently lighted;

(2) wharves and quays shall be kept sufficiently clear of goods to maintain a clear passage to the means of access referred to in Article 3;

(3) where any space is left along the edge of any wharf or quay, it shall be at least 3 feet (90 cm.) wide and clear of all obstructions other than fixed structures, plant and appliances in use; and

(4) so far as is practicable having regard to the traffic and working,

(a) all dangerous parts of the said approaches and working places (e.g. dangerous breaks, corners and edges) shall be adequately fenced to a height of not less than 2 feet 6 inches (75 cm.);

(b) dangerous footways over bridges, caissons and dock gates shall be fenced to a height of not less than 2 feet 6 inches (75 cm.) on each side, and the said fencing shall be continued at both ends to a sufficient distance which shall not be required to exceed 5 yards (4 m. 50).

(5) The measurement requirements of paragraph (4) of this Article shall be deemed to be complied with, in respect of appliances in use at the date of the ratification of this Convention, if the actual measurements are not more than 10 per cent less than the measurements specified in the said paragraph (4).

Article 3

(1) When a ship is lying alongside a quay or some other vessel for the purpose of the processes, there shall be safe means of access for the use of the workers at such times as they have to pass to or from the ship, unless the conditions are such that they would not be exposed to undue risk if no special appliance were provided.

(2) The said means of access shall be:—

- (a) where reasonably practicable, the ship's accommodation ladder, a gangway or a similar construction;
- (b) in other cases a ladder."

(3) The appliances specified in paragraph (2) (a) of this Article shall be at least 22 inches (55 cm.) wide, properly secured to prevent their displacement, not inclined at too steep an angle, constructed of materials of good quality and in good condition, and securely fenced throughout to a clear height of not less than 2 feet 9 inches (82 cm.) on both sides, or in the case of the ship's accommodation ladder securely fenced to the same height on one side, provided that the other side is properly protected by the ship's side.

Provided that any appliances as aforesaid in use at the date of the ratification of this Convention shall be allowed to remain in use:—

- (a) until the fencing is renewed if they are fenced on both sides to a clear height of at least 2 feet 8 inches (80 cm.);
- (b) for two years from the date of ratification if they are fenced on both sides to a clear height of at least 2 feet 6 inches (75 cm.).

(4) The ladders specified in paragraph (2) (b) of this Article shall be of adequate length and strength, and properly secured.

(5) (a) Exceptions to the provisions of this Article may be allowed by the competent authorities when they are satisfied that the appliances specified in the Article are not required for the safety of the workers.

(b) The provisions of this Article shall not apply to cargo stages or cargo gangways when exclusively used for the processes.

(6) Workers shall not use, or be required to use, any other means of access than the means specified or allowed by this Article.

Article 4

When the workers have to proceed to or from a ship by water for the processes, appropriate measures shall be prescribed to ensure their safe transport, including the conditions to be complied with by the vessels used for this purpose.

Article 5

(1) When the workers have to carry on the processes in a hold the depth of which from the level of the deck to the bottom of the hold exceeds 5 feet (1 m. 50), there shall be safe means of access from the deck to the hold for their use.

(2) The said means of access shall ordinarily be by ladder, which shall not be deemed to be safe unless it complies with the following conditions:—

- (a) provides foothold of a depth, including any space behind the ladder, of not less than $4\frac{1}{2}$ inches ($11\frac{1}{2}$ cm.) for a width of not less than 10 inches (25 cm.) and a firm handhold;
- (b) is not recessed under the deck more than is reasonably necessary to keep it clear of the hatchway;
- (c) is continued by and is in line with arrangements for secure handhold and foothold on the coamings (e.g. cleats or cups);
- (d) the said arrangements on the coamings provide foothold of a depth, including any space behind the said arrangements, of not less than $4\frac{1}{2}$ inches ($11\frac{1}{2}$ cm.) for a width of not less than 10 inches (25 cm.);
- (e) if separate ladders are provided between the lower decks, the said ladders are as far as practicable in line with the ladder from the top deck.

Where, however, owing to the construction of the ship, the provision of a ladder would not be reasonably practicable, it shall be open to the competent authorities to allow other means of access, provided that they comply with the conditions laid down in this Article for ladders so far as they are applicable.

In the case of ships existing at the date of the ratification of this Convention the measurement requirements of sub-paragraphs (a) and (d) of this paragraph shall be deemed to be complied with, until the ladders and arrangements are replaced, if the actual measurements are not more than 10 per cent less than the measurements specified in the said sub-paragraphs (a) and (d).

(3) Sufficient free passage to the means of access shall be left at the coamings.

(4) Shaft tunnels shall be equipped with adequate handhold and foothold on both sides.

(5) When a ladder is to be used in the hold of a vessel which is not decked it shall be the duty of the contractor undertaking the processes to provide such ladder. It shall be equipped at the top with hooks or with other means for firmly securing it.

(6) The workers shall not use, or be required to use, other means of access than the means specified or allowed by this Article.

(7) Ships existing at the date of ratification of this Convention shall be exempt from compliance with the measurements in paragraph (2) (a) and (d) and from the provisions of paragraph (4) of this Article for a period not exceeding four years from the date of ratification of this Convention.

Article 6

(1) While the workers are on a ship for the purpose of the processes, every hatchway of a cargo hold accessible to the workers which exceeds 5 feet (1m. 50) in depth from the level of the deck to the bottom of the hold, and which is not protected to a clear height of 2 feet 6 inches (75cm.) by the coamings, shall, when not in use for the passage of goods, coal or other material, either be securely fenced to a height of 3 feet (90 cm.) or be securely covered. National laws or regulations shall determine whether the requirements of this paragraph shall be enforced during meal times and other short interruptions of work.

(2) Similar measures shall be taken when necessary to protect all other openings in a deck which might be dangerous to the workers.

Article 7

When the processes have to be carried on on a ship, the means of access thereto and all places on board at which the workers are employed or to which they may be required to proceed in the course of their employment shall be efficiently lighted.

The means of lighting shall be such as not to endanger the safety of the workers nor to interfere with the navigation of other vessels.

Article 8

In order to ensure the safety of the workers when engaged in removing or replacing hatch coverings and beams used for hatch coverings,

(1) hatch coverings and beams used for hatch coverings shall be maintained in good condition;

(2) hatch coverings shall be fitted with adequate hand grips, having regard to their size and weight, unless the construction of the hatch or the hatch coverings is of a character rendering the provision of hand grips unnecessary;

(3) beams used for hatch coverings shall have suitable gear for removing and replacing them of such a character as to render it unnecessary for workers to go upon them for the purpose of adjusting such gear;

(4) all hatch coverings and fore and aft and thwart-ship beams shall, in so far as they are not interchangeable, be kept plainly marked to indicate the deck and hatch to which they belong and their position therein;

(5) hatch coverings shall not be used in the construction of cargo stages or for any other purpose which may expose them to damage.

Article 9

Appropriate measures shall be prescribed to ensure that no hoisting machine, or gear, whether fixed or loose, used in connection therewith, is employed in the processes on shore or on board ship unless it is in a safe working condition.

In particular,

(1) before being taken into use, the said machines, fixed gear on board ship accessory thereto as defined by national laws or regulations, and chains and wire ropes used in connection therewith, shall be adequately examined and tested, and the safe working load thereof certified, in the manner prescribed and by a competent person acceptable to the national authorities;

(2) after being taken into use, every hoisting machine, whether used on shore or on board ship, and all fixed gear on board ship accessory thereto as defined by national laws or regulations shall be thoroughly examined or inspected as follows:

(a) to be thoroughly examined every four years and inspected every twelve months: derricks, goose necks, mast bands, derrick bands, eye-bolts, spans and any other fixed gear the dismantling of which is specially difficult;

(b) to be thoroughly examined every twelve months: all hoisting machines (e.g. cranes, winches), blocks, shackles and all other accessory gear not included in (a).

All loose gear (e.g. chains, wire ropes, rings, hooks) shall be inspected on each occasion before use unless they have been inspected within the previous three months.

Chains shall not be shortened by tying knots in them and precautions shall be taken to prevent injury to them from sharp edges.

A thimble or loop splice made in any wire rope shall have at least three tucks with a whole strand of rope and two tucks with one half of the wires cut out of each strand; provided that this requirement shall not operate to prevent the use of another form of splice which can be shown to be as efficient as the form hereby prescribed.

(3) Chains and such similar gear as is specified by national laws or regulations (e.g. hooks, rings, shackles, swivels) shall, unless they have been subjected to such other sufficient treatment as may be prescribed by national laws or regulations, be annealed as follows under the supervision of a competent person acceptable to the national authorities:—

- (a) In the case of chains and the said gear carried on board ship:
 - (i) half-inch ($12\frac{1}{2}$ -mm.) and smaller chains or gear in general use once at least in every six months;
 - (ii) all other chains or gear (including span chains but excluding bridle chains attached to derricks or masts) in general use once at least in every twelve months;

Provided that in the case of such gear used solely on cranes and other hoisting appliances worked by hand twelve months shall be substituted for six months in sub-paragraph (i) and two years for twelve months in sub-paragraph (ii);

Provided also that, if the competent authority is of opinion that owing to the size, design, material or infrequency of use of any of the said gear the requirements of this paragraph as to annealing are not necessary for the protection of the workers, it may, by certificate in writing (which it may at its discretion revoke), exempt such gear from the said requirements subject to such conditions as may be specified in the said certificate.

- (b) In the case of chains and the said gear not carried on board ship:

Measures shall be prescribed to secure the annealing of the said chains and gear.

- (c) in the case of the said chains and gear whether carried on board ship or not, which have been lengthened, altered or repaired by welding, they shall thereupon be tested and re-examined.

(4) Such duly authenticated records as will provide sufficient *prima facie* evidence of the safe condition of the machines and gear concerned shall be kept, on shore or on the ship as the case may be, specifying the safe working load and the dates and results of the tests and examinations referred to in paragraphs (1) and (2) of this Article and of the annealings or other treatment referred to in paragraph (3).

Such records shall, on the application of any person authorized for the purpose, be produced by the person in charge thereof.

(5) The safe working load shall be kept plainly marked on all cranes, derricks and chain slings and on any similar hoisting gear used on board ship as specified by national laws or regulations. The safe working load marked on chain slings shall either be in plain figures or letters upon the chains or upon a tablet or ring of durable material attached securely thereto.

(6) All motors, cogwheels, chain and friction gearing, shafting, live electric conductors and steam pipes shall (unless it can be shown that by their

position and construction they are equally safe to every worker employed as they would be if securely fenced) be securely fenced so far as is practicable without impeding the safe working of the ship.

(7) Cranes and winches shall be provided with such means as will reduce to a minimum the risk of the accidental descent of a load while in process of being lifted or lowered.

(8) Appropriate measures shall be taken to prevent exhaust steam from and, so far as practicable, live steam to any crane or winch obscuring any part of the working place at which a worker is employed.

(9) Appropriate measures shall be taken to prevent the foot of a derrick being accidentally lifted out of its socket or support.

Article 10

Only sufficiently competent and reliable persons shall be employed to operate lifting or transporting machinery whether driven by mechanical power or otherwise, or to give signals to a driver of such machinery, or to attend to cargo falls on winch ends or winch drums.

Article 11

(1) No load shall be left suspended from any hoisting machine unless there is a competent person actually in charge of the machine while the load is so left.

(2) Appropriate measures shall be prescribed to provide for the employment of a signaller where this is necessary for the safety of the workers.

(3) Appropriate measures shall be prescribed with the object of preventing dangerous methods of working in the stacking, unstacking, stowing and unstowing of cargo, or handling in connection therewith.

(4) Before work is begun at a hatch the beams thereof shall either be removed or be securely fastened to prevent their displacement.

(5) Precautions shall be taken to facilitate the escape of the workers when employed in a hold or on 'tween decks in dealing with coal or other bulk cargo.

(6) No stage shall be used in the processes unless it is substantially and firmly constructed, adequately supported and where necessary securely fastened.

No truck shall be used for carrying cargo between ship and shore on a stage so steep as to be unsafe.

Stages shall where necessary be treated with suitable material to prevent the workers slipping.

(7) When the working space in a hold is confined to the square of the hatch, and except for the purpose of breaking out or making up slings,

(a) hooks shall not be made fast in the bands or fastenings of bales of cotton, wool, cork, gunny-bags, or other similar goods;

(b) can-hooks shall not be used for raising or lowering a barrel when, owing to the construction or condition of the barrel or of the hooks, their use is likely to be unsafe.

(8) No gear of any description shall be loaded beyond the safe working load save in exceptional cases and then only in so far as may be allowed by national laws or regulations.

(9) In the case of shore cranes with varying capacity (e.g. raising and lowering jib with load capacity varying according to the angle) an automatic indicator or a table showing the safe working loads at the corresponding inclinations of the jib shall be provided on the crane.

Article 12

National laws or regulations shall prescribe such precautions as may be deemed necessary to ensure the proper protection of the workers having regard to the circumstances of each case when they have to deal with or work in proximity to goods which are in themselves dangerous to life or health by reason either of their inherent nature or of their condition at the time or work where such goods have been stowed.

Article 13

At docks, wharves, quays and similar places which are in frequent use for the processes such facilities as having regard to local circumstances shall be prescribed by national laws or regulations shall be available for rapidly securing the rendering of first-aid and in serious cases of accident removal to the nearest place of treatment. Sufficient supplies of first-aid equipment shall be kept permanently on the premises in such a condition and in such positions as to be fit and readily accessible for immediate use during working hours. The said supplies shall be in charge of a responsible person or persons who shall include one or more persons competent to render first-aid and whose services shall also be readily available during working hours.

At such docks, wharves, quays and similar places as aforesaid appropriate provision shall also be made for the rescue of immersed workers from drowning.

Article 14

Any fencing, gangway, gear, ladder, life-saving means or appliance, light, mark, stage or other thing whatsoever required to be provided under this Convention shall not be removed or interfered with by any person except when duly authorized or in case of necessity, and if removed shall be restored at the end of the period for which its removal was necessary.

Article 15

It shall be open to each Member to grant exemptions from or exceptions to the provisions of this Convention in respect of any dock, wharf, quay or similar place at which the processes are only occasionally carried on or the traffic is small and confined to small ships, or in respect of certain special ships or special classes of ships or ships below a certain small tonnage, or in cases where as a result of climatic conditions it would be impracticable to require the provisions of this Convention to be carried out.

The International Labour Office shall be kept informed of the provisions in virtue of which any exemptions and exceptions as aforesaid are allowed.

Article 16

Except as herein otherwise provided, the provisions of this Convention which affect the construction or permanent equipment of the ship shall apply to ships the building of which is commenced after the date of ratification of

the Convention, and to all other ships within four years after that date, provided that in the meantime the said provisions shall be applied so far as reasonable and practicable to such other ships.

Article 17

In order to ensure the due enforcement of any regulations prescribed for the protection of the workers against accidents,

(1) The regulations shall clearly define the persons or bodies who are to be responsible for compliance with the respective regulations;

(2) Provision shall be made for an efficient system of inspection and for penalties for breaches of the regulations;

(3) Copies or summaries of the regulations shall be posted up in prominent positions at docks, wharves, quays and similar places which are in frequent use for the processes.

Article 18

Each Member undertakes to enter into reciprocal arrangements on the basis of this Convention with the other Members which have ratified this Convention, including more particularly the mutual recognition of the arrangements made in their respective countries for testing, examining and annealing and of certificates and records relating thereto;

Provided that, as regards the construction of ships and as regards plant used on ships and the records and other matters to be observed on board under the terms of this Convention, each Member is satisfied that the arrangements adopted by the other Member secure a general standard of safety for the workers equally effective as the standard required under its own laws and regulations;

Provided also that the Governments shall have due regard to the obligations of paragraph (11) of Article 405 of the Treaty of Versailles and of the corresponding Articles of the other Treaties of Peace.

Article 19

The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 20

This Convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organization have been registered with the Secretary-General.

Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 21

As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General

of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 22

A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of five years and, thereafter, may denounce this Convention at the expiration of each period of five years under the terms provided for in this Article.

Article 23

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 24

Should the Conference adopt a new Convention revising this Convention in whole or in part, the ratification by a Member of the new revising Convention shall *ipso jure* involve denunciation of this Convention without any requirement of delay, notwithstanding the provisions of Article 22 above, if and when the new revising Convention shall have come into force.

As from the date of the coming into force of the new revising Convention, the present Convention shall cease to be open to ratification by the Members.

Nevertheless, this Convention shall remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 25

The French and English texts of this Convention shall both be authentic.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, October 22, 1945.

Resolved,—That the following resolution be referred to the said Committee:—

Resolved, That this House do approve of the Convention concerning Statistics of Wages and Hours of Work in the Principal Mining and Manufacturing Industries, including Building and Construction and in Agriculture, which was adopted by the General Conference of the International Labour Organization of the League of Nations at its Twenty-fourth Session in Geneva, on the 20th day of June, 1938, reading as follows:—

Draft Convention (No. 63) concerning statistics of wages and hours of work in the principal mining and manufacturing industries, including building and construction, and in agriculture.

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Twenty-fourth Session on 2 June, 1938, and

Having decided upon the adoption of certain proposals with regard to statistics of wages and hours of work in the principal mining and manufacturing industries including building and construction, and in agriculture, which is the sixth item on the agenda of the Session, and

Having determined that these proposals shall take the form of a Draft International Convention, and

Having determined that, although it is desirable that all Members of the Organization should compile statistics of average earnings and of hours actually worked which comply with the requirements of Part II of this Convention, it is nevertheless expedient that the Convention should be open to ratification by Members which are not in a position to comply with the requirements of that Part,

adopts, this twentieth day of June of the year one thousand nine hundred and thirty-eight the following Draft Convention which may be cited as the Convention concerning Statistics of Wages and Hours of Work, 1938:

PART I.—GENERAL PROVISIONS

Article 1

Each Member of the International Labour Organization which ratifies this Convention undertakes that:—

- (a) it will compile as required by this Convention statistics relating to wages and hours of work.
- (b) it will publish the data compiled in pursuance of this Convention as promptly as possible and will endeavour to publish data collected at quarterly or more frequent intervals during the succeeding quarter and to publish data collected at intervals of six or twelve months during the succeeding six or twelve months respectively; and
- (c) it will communicate the data compiled in pursuance of this Convention to the International Labour Office at the earliest possible date.

Article 2

1. Any Member which ratifies this Convention may by a declaration appended to its ratification exclude from its acceptance of the Convention:—

- (a) any one of Parts II, III or IV; or
- (b) Parts II and IV; or
- (c) Parts III and IV.

2. Any Member which has made such a declaration may at any time cancel that declaration by a subsequent declaration.

3. Every Member for which a declaration made under paragraph 1 of this Article is in force shall indicate each year in its annual report upon the application of this Convention the extent to which any progress has been made with a view to the application of the Part or Parts of the Convention excluded from its acceptance.

Article 3

Nothing in this Convention imposes any obligation to publish or to reveal particulars which would result in the disclosure of information relating to any individual undertaking or establishment.

Article 4

1. Each Member which ratifies this Convention undertakes that its competent statistical authority shall, unless it has already obtained the information in some other way make enquiries relating either to all, or to a representative part, of the wage earners concerned, in order to obtain the information required for the purpose of the statistics which it has undertaken to compile in accordance with this Convention.

2. Nothing in this Convention shall be interpreted as requiring any Member to compile statistics in cases in which, after enquiries made in the manner required by paragraph 1 of this Article, it is found impracticable to obtain the necessary information without the exercise of compulsory powers.

PART II.—STATISTICS OF AVERAGE EARNINGS AND OF HOURS ACTUALLY WORKED
IN MINING AND MANUFACTURING INDUSTRIES

Article 5

1. Statistics of average earnings and of hours actually worked shall be compiled for wage earners employed in each of the principal mining and manufacturing industries including building and construction.

2. The statistics of average earnings and of hours actually worked shall be compiled on the basis of data relating either to all establishments and wage earners or to a representative sample of establishments and wage earners.

3. The statistics of average earnings and of hours actually worked shall:—

- (a) give separate figures for each of the principal industries; and
- (b) indicate briefly the scope of the industries or branches of industry for which figures are given.

Article 6

The statistics of average earnings shall include:—

- (a) all cash payments and bonuses received from the employer by the persons employed;

- (b) contributions such as social insurance contributions payable by the employed persons and deducted by the employer; and
- (c) taxes payable by the employed persons to a public authority and deducted by the employer.

Article 7

In the case of countries and industries in which allowances in kind, for example in the form of free or cheap housing, food or fuel, form a substantial part of the total remuneration of the wage earners employed, the statistics of average earnings shall be supplemented by particulars of such allowances, together with estimates, so far as practicable, of their money value.

Article 8

The statistics of average earnings shall be supplemented, so far as practicable, by indications as to the average amount of any family allowances per person employed in the period to which the statistics relate.

Article 9

1. The statistics of average earnings shall relate to average earnings per hour, day, week or other customary period.

2. Where the statistics of average earnings relate to average earnings per day, week or other customary period, the statistics of actual hours shall relate to the same period.

Article 10

1. The statistics of average earnings and of hours actually worked, referred to in Article 9, shall be compiled once every year and where possible at shorter intervals.

2. Once every three years and where possible at shorter intervals the statistics of average earnings, and, so far as practicable, the statistics of hours actually worked shall be supplemented by separate figures for each sex and for adults and juveniles; provided that it shall not be necessary to compile these separate figures in the case of industries in which all but an insignificant number of the wage earners belong to the same sex or age group, or to compile the separate figures of hours actually worked for males and females, or for adults and juveniles, in the case of industries in which the normal hours of work do not vary by sex or age.

Article 11

Where the statistics of average earnings and of hours actually worked relate not to the whole country but to certain districts, towns or industrial centres, these districts, towns or centres shall, so far as practicable, be indicated.

Article 12

1. Index numbers showing the general movement of earnings per hour and where possible per day, week or other customary period shall be compiled at as frequent and as regular intervals as possible on the basis of the statistics compiled in pursuance of this Part of this Convention.

2. In compiling such index numbers due account shall be taken, *inter alia*, of the relative importance of the different industries.

3. In publishing such index numbers indications shall be given as to the methods employed in their construction.

PART III.—STATISTICS OF TIME RATES OF WAGES AND OF NORMAL HOURS OF WORK
IN MINING AND MANUFACTURING INDUSTRIES

Article 13

Statistics of time rates of wages and of normal hours of work of wage earners shall be compiled for a representative selection of the principal mining and manufacturing industries, including building and construction.

Article 14

1. The statistics of time rates of wages and of normal hours of work shall show the rates and hours:—

- (a) fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards;
- (b) ascertained from organizations of employers and workers, from joint bodies, or from other appropriate sources of information, in cases where rates and hours are not fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards.

2. The statistics of time rates of wages and of normal hours of work shall indicate the nature and source of the information from which they have been compiled and whether it relates to rates or hours fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards or to rates or hours fixed by arrangements between employers and wage earners individually.

3. When rates of wages are described as minimum (other than statutory minimum) rates, standard rates, typical rates, or prevailing rates, or by similar terms, the terms used shall be explained.

4. "Normal hours of work," where not fixed by or in pursuance of laws or regulations, collective agreements, or arbitral awards, shall be taken as meaning the number of hours, per day, week or other period, in excess of which any time worked is remunerated at overtime rates or forms an exception to the rules or custom of the establishment relating to the classes of wage earners concerned.

Article 15

1. The statistics of time rates of wages and of normal hours of work shall give:—

- (a) at intervals of not more than three years, separate figures for the principal occupations in a wide and representative selection of the different industries; and
- (b) at least once a year, and if possible at shorter intervals, separate figures for the main occupations in the most important of these industries.

2. The data relating to time rates of wages and of normal hours of work shall be presented, so far as practicable, on the basis of the same occupational classification.

3. Where the sources of information from which the statistics are compiled do not indicate the separate occupations to which the rates or hours apply, but fix varying rates of wages or hours of work for other categories of workers (such as skilled workers, semi-skilled workers and unskilled workers) or fix normal hours of work by classes of undertakings or branches of undertakings, the separate figures shall be given according to these distinctions.

4. Where the categories of workers for which figures are given are not separate occupations, the scope of each category shall, in so far as the necessary particulars are given in the sources of information from which the statistics are compiled, be indicated.

Article 16

Where the statistics of time rates do not give the rates per hour but give rates per day, week, or other customary period:—

- (a) the statistics of normal hours of work shall relate to the same period; and
- (b) the Member shall communicate to the International Labour Office any information appropriate for the purpose of calculating the rates per hour.

Article 17

Where the sources of information from which the statistics are compiled give separate particulars classified by sex and age, the statistics of time rates of wages and of normal hours of work shall give separate figures for each sex and for adults and juveniles.

Article 18

Where the statistics of time rates of wages and of normal hours of work relate not to the whole country but to certain districts, towns or industrial centres, these districts, towns or centres shall, so far as practicable, be indicated.

Article 19

Where the sources of information from which the statistics of time rates and of normal hours of work are compiled contain such particulars, the statistics shall at intervals not exceeding three years indicate:—

- (a) the scale of any payment for holidays;
- (b) the scale of any family allowances;
- (c) the rates or percentage additions to normal rates paid for overtime; and
- (d) the amount of overtime permitted.

Article 20

In the case of countries and industries in which allowances in kind, for example in the form of free and cheap housing, food or fuel, form a substantial part of the total remuneration of the wage earners employed, the statistics of time rates of wages shall be supplemented by particulars of such allowances, together with estimates, so far as practicable, of their money value.

Article 21

1. Annual index numbers showing the general movement of rates of wages per hour or per week shall be compiled on the basis of the statistics compiled in pursuance of this Part of this Convention, supplemented, where necessary, by any other relevant information which may be available (for example, particulars as to changes in piece-work rates of wages).

2. Where only an index number of rates of wages per hour or only an index number of rates of wages per week is compiled, there shall be compiled an index number of changes in normal hours of work constructed on the same basis.

3. In compiling such index numbers due account shall be taken, *inter alia*, of the relative importance of the different industries.

4. In publishing such index numbers indications shall be given as to the methods employed in their construction.

PART IV.—STATISTICS OF WAGES AND HOURS OF WORK IN AGRICULTURE

Article 22

1. Statistics of wages shall be compiled in respect of wage earners engaged in agriculture.

2. The statistics of wages in agriculture shall:

- (a) be compiled at intervals not exceeding two years;
- (b) give separate figures for each of the principal districts; and
- (c) indicate the nature of the allowances in kind (including housing), if any, by which money wages are supplemented, and, if possible, an estimate of the money value of such allowances.

3. The statistics of wages in agriculture shall be supplemented by indications as to:

- (a) the categories of agricultural wage earners to which the statistics relate;
- (b) the nature and source of the information from which they have been compiled;
- (c) the methods employed in their compilation; and
- (d) so far as practicable, the normal hours of work of the wage earners concerned.

PART V.—MISCELLANEOUS PROVISIONS

Article 23

1. Any Member the territory of which includes large areas in respect of which, by reason of the difficulty of creating the necessary administrative organization and the sparseness of the population or the stage of economic development of the area, it is impracticable to compile statistics complying with the requirements of this Convention may exclude such areas from the application of this Convention in whole or in part.

2. Each Member shall indicate in its first annual report upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organization any areas in respect of which it proposes to have recourse to the provisions of this Article and no Member shall, after the date of its first annual report, have recourse to the provisions of this Article except in respect of areas so indicated.

3. Each Member having recourse to the provisions of the present Article shall indicate in subsequent annual reports any areas in respect of which it renounces the right to have recourse to the provisions of this Article.

Article 24

1. The Governing Body of the International Labour Office may, after taking such technical advice as it may deem appropriate, communicate to the Members of the Organization proposals for improving and amplifying the statistics compiled in pursuance of this Convention or for promoting their comparability.
2. Each Member ratifying this Convention undertakes that it will:
 - (a) submit for the consideration of its competent statistical authority any such proposals communicated to it by the Governing Body;
 - (b) indicate in its annual report upon the application of the Convention the extent to which it has given effect to such proposals.

PART VI.—FINAL PROVISIONS

Article 25

The formal ratifications of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 26

1. This Convention shall be binding only upon Members of the International Labour Organization whose ratifications have been registered with the Secretary-General.
2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Secretary-General.
3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 27

As soon as the ratifications of two Members of the International Labour Organization have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 28

1. A Member which has ratified this Convention may denounce it, after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.
2. Each Member, which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 29

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office

STANDING COMMITTEE

shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 30

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides:

- (a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 28 above, if and when the new revising Convention shall have come into force;
- (b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 31

The French and English texts of this Convention shall both be authentic.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, October 23, 1945.

Ordered,—That the name of Mr. Sinclair (*Vancouver-North*) be substituted for that of Mr. Reid on the said Committee.

Ordered,—That the said Committee be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO HOUSE

TUESDAY, October 23, 1945.

The Standing Committee on External Affairs begs leave to present the following as its

FIRST REPORT

Your Committee recommends

- 1. That it be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.
- 2. That it be authorized to sit while the House is sitting.

All of which is respectfully submitted.

(Concurred in October 23, 1945).

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, October 23, 1945.

Room 268

The Standing Committee on External Affairs met at eleven o'clock, the Chairman, Mr. J. A. Bradette, presiding.

Members present: Mrs. Strum, Messrs. Beaudry, Benidickson, Boucher, Bradette, Coldwell, Fleming, Fraser, Graydon, Jaques, Kidd, Leger, Low, Mayhew, McIlraith, Mutch, Picard and Sinclair (*Ontario*). (18).

The Chairman acknowledged the honour of having been called to preside over the deliberations of the Committee and expressed his confidence that he could count on the assistance and co-operation of every member.

He read a letter he received on October 18, 1945, from Mr. Coldwell relating to the work of the Committee.

The Chairman then called upon every member present to express his views on the functions of the Committee. Each member commended its institution and stressed its importance. Various suggestions pertaining to its business were made.

Due reference being made to the Orders of Reference, the Committee agreed to call a representative of the International Labour Organization.

After discussion and on motion of Mr. Graydon, it was *resolved* that the Committee ask leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

On motion of Mr. Fleming, it was *resolved* that the Committee ask permission to sit while the House is sitting.

At the suggestion of the chairman and on motion of Mr. Coldwell, it was *resolved* that the Chairman appoint a Steering Committee of five and report back to the Committee.

On motion of Mr. Coldwell, it was *resolved* that Mr. Graydon be appointed vice-chairman.

The Committee decided to call Mr. H. H. Wrong, Assistant Under-Secretary of State for External Affairs at its next meeting when he will be asked to present a statement on the organization of the Department of External Affairs.

On motion of Mr. Jaques, the Committee adjourned at 12.55 o'clock until Thursday, October 25 at 11.30 a.m.

THURSDAY, October 25, 1945.

Room 268

The Standing Committee on External Affairs met at 11.30 o'clock, Mr. Bradette, presiding.

Members present: Mrs. Strum, Messrs. Benidickson, Blanchette, Boucher, Bradette, Coldwell, Fleming, Fraser, Graydon, Jaques, Knowles, Leger, Low, McIlraith, Mutch, Raymond (*Beauharnois-Laprairie*), Sinclair (*Ontario*), Tremblay and Winkler. (19).

The Chairman reported that he had appointed Messrs. Graydon, Knowles, Low, Picard and Winkler to act with himself as a Steering Committee. He invited them to a first meeting in his office on Friday, October 26 at 10.30 o'clock.

Before proceeding to the consideration of the Orders of Reference, the Chairman invited Messrs. Winkler, Mutch, Knowles, Blanchette, Tremblay and Raymond, who could not be present at the last meeting, to express their views on the functions of the Committee.

Referring to the draft conventions before the Committee, Mr. Fleming suggested that, at the next meeting, a representative of the Department of Labour; Mr. Phelan of the International Labour Organization of Montreal, Quebec, and representatives from the Trades and Labour Congress and the Canadian Congress of Labour be asked to attend.

After discussion and on motion of Mr. Coldwell, it was *resolved* that a representative of the Department of Labour and Mr. Phelan of the International Labour Organization be called before the Committee.

The Chairman informed the Committee that Honourable Mr. St. Laurent and Mr. H. H. Wrong were attending the Senate Committee on External Relations. The proceedings were suspended to enable the Clerk to ascertain whether Honourable Mr. St. Laurent and Mr. Wrong could attend at this stage. The Clerk having returned with Mr. St. Laurent and Mr. Wrong, the proceedings were resumed and Honourable Mr. St. Laurent introduced Mr. Wrong to the Committee.

Mr. Wrong was called. He made an extemporaneous statement on the internal and external operations of the Department of External Affairs and was questioned thereon.

The Chairman thanked Mr. Wrong for his most informative statement and witness was retired.

The Committee adjourned at 1.05 to meet again at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
October 25, 1945.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Order gentlemen. I greatly appreciate the fact that it is possible to have a quorum so early. I believe that the first work of the steering committee should be to see to it that our meetings begin promptly. For instance, the Veterans Affairs committee which is sitting presently includes some of our members who I know want to be present at their deliberations. So that will be a matter which the steering committee will have to adjust. I have appointed the following members to the steering committee: Messrs. Graydon, Picard, Knowles, Low and Winkler. It is likely that we will have quite a bit of work to do. I believe it would be in order to have a motion, but if you are all in agreement, I do not think we need a resolution to accept the steering committee. If that is acceptable, we might receive the sanction of the members and we will ask them to raise their hands.

(Carried.)

The CHAIRMAN: Carried. So I will ask the steering committee to meet at my office tomorrow morning at 10.30. It won't be a very long meeting. It will last about half an hour. We must try to find some way by which we can have the members of the Veterans Affairs committee present at our deliberations. This morning I had hoped to have with us Mr. Wrong, Assistant Under-Secretary of State for External Affairs. He does not know exactly what he will say, because he is starting from scratch, almost in the dark. He told me that after he had made a brief pronouncement, he would be very pleased to answer any questions put to him. The Hon. Mr. St. Laurent may come before this committee at a later date. When the Prime Minister returns, we hope to have him present at one of our sittings, to participate in our deliberations and to help us start on the proper road. I have been studying the statements made by the members of this committee at our first meeting and I have been much impressed with what we may have to face in this committee in making it a real live thing which will be helpful to parliament and the whole country. I would repeat to you the wish that this committee be not just one committee but rather a committee of individual members so that it may function not only successfully as a committee but that each individual member may have the feeling that he, in all his activities, deliberations, and work is a chairman of a committee. Anything you may wish to comment upon both to the committee and to myself personally, with respect to our deliberations, will be absolutely welcome. I ask the committee now if it will be in order to proceed before Mr. Wrong gets here. He is speaking now before the External Affairs committee of the Senate, and I do not know how long it will be before he gets here. If you are satisfied, then we will begin with a discussion of resolution No. 32.

Mr. McILRAITH: Agreed.

The CHAIRMAN: Resolution 32 is on page 14 of the Votes and Proceedings of the Orders of the Day and have been distributed. I see some new members who could not be present at the last meeting and I would state to them that at our first meeting we asked for the advice and ideas of the members at that time. So we will ask the members who are here this morning for the first time to say a few words.

(The views expressed were off the record.)

Mr. FLEMING: With respect to No. 32 on page 14, I challenge the consideration of it, clause by clause, or article by article. I wonder how many of us are competent to deal with the matters of detail which are given here, such as the dimensions of fencing, and the dimensions of ladders, and so on. That, surely, is beyond us. Have we had any recommendations from the officials of the Labour Department with regard to this, and have there been any representations from representatives of organized labour bodies of the country? If we have their views, I think we might very well be guided by them. This is a convention which has been awaiting ratification since 1932, and it must have been reviewed by these other bodies. So I cannot see the point in going into the details clause by clause.

The CHAIRMAN: I appreciate that point. We are entering into this discussion, so to speak, within the order of the reference of the House of Commons. In addition, I expect that Mr. Wrong will be here this morning. He was called along with the Hon. Mr. St. Laurent to speak before the External Affairs committee of the Senate, but I expect that he will be here soon. In the meantime, we might approach the discussion of these two resolutions.

Mr. BOUCHER: I take it that Mr. Wrong is not going to take up this one specifically?

The CHAIRMAN: No. If I had thought that Mr. Wrong could not be here to-day, I would have had an expert from the Department of Labour.

Mr. FLEMING: I would not want any comment to be taken as being critical.

Mr. BOUCHER: Could we not use our time in exploring the possibilities of getting somebody to appear before our committee who is vitally interested in, and well acquainted with, the terms of this convention, so that we could hear his viewpoint on it. I think we might well spend some time in deciding whom we could get before the committee.

Mr. TREMBLAY: I think that would be a very good start indeed.

Mr. KNOWLES: Is there any correspondence on file indicating how or why this proposal was made at this time? Has it been asked for by labour or by other countries?

The CHAIRMAN: No. That would be the Department of Labour, and it concerns their department. We would like to have a witness from the International Labour Bureau at Montreal as well.

Mr. MUTCH: Would not we be better advised to adopt the usual committee procedure rather than by beginning consideration of a specific item like this? We know this is something which was asked for about ten or twelve years ago and which has been ratified by various other countries and is in effect at the present moment. What we are faced with is the formal application of an established condition. If we are going to hear representations, such representations will either approve or they will raise certain objections. We would then be in a position to decide on the basis of these representations. But for us to sit down and just review this thing, clause by clause, would be a sheer waste of time, because most of us, I think, have no personal knowledge of any of these problems. We should first see if our own Department of Labour is satisfied with the terms as set forth.

Mr. BOUCHER: May we have a list of the names of those people who were at the Geneva Convention, where this matter was discussed? We might have some of them come before us. We have in Ottawa Mr. Mosher, who I think was very interested in it, and we have as well, the secretary of the Federation of Labour, Mr. Dowd. And if I am not mistaken, we also have Mr. Martin, now Secretary of State, who could give us some information on it. I do not know whether he can speak to this particular convention, but he might at least give us some guidance as to who could present the problem to us.

Mr. FLEMING: It would be necessary for us to come back to the delegates who participated in the international organization meeting in 1932. But I should think that the officials of the Labour Department would be well posted on this. We might want representation from the Seamen's Unions, which could be arranged through the Canadian Trade and Labour Congress and the Canadian Congress of Labour. If they could be advised to send representations here, with that point of view, I think it would be of great assistance to the committee.

Mrs. STRUM: I hope I am not departing from the general discussion, but the other day it occurred to me that the conference at Quebec certainly has international implication and is of interest to this committee.

The CHAIRMAN: No doubt.

Mrs. STRUM: Since it is a temporary thing, and it is going on now, I should like to have the findings of the conference; or perhaps the Minister of Agriculture might appear while the conference is still new, and still before us, to give us an idea. It does affect the lives of thousands of workers in agriculture. It is labour, a different kind of labour. I think it would be a mistake to pass that up.

(Proceedings suspended until arrival of Hon. Mr. St. Laurent, and Mr. Wrong.)

Hon. Mr. ST. LAURENT: I come in to apologize. Mr. Wrong and I have been attending a meeting which commenced at 10.30. We hoped it would be over so that we could have the privilege of coming before you, but the meeting is still going on. They are showing great interest in the San Francisco Charter. Mr. Graydon and Mr. Coldwell hope to be down in a few minutes to join you. So may I now retire and just ask Mr. Wrong if he will answer any questions which the members of the committee wish to have him deal with.

The CHAIRMAN: Before you leave, Mr. St. Laurent, I should like to state to you that I have advised the committee that you would appear at one of our sittings.

Hon. Mr. ST. LAURENT: I shall be glad to come up to the committee at any time that they may arrange, because these are interesting things to talk about.

THE CHAIRMAN: Before we proceed I should state that we are thankful for the presence here of Mr. Wrong. The statement made by Mrs. Strum shows to members of the committee what should be our field of endeavour in starting to work. It points out the unlimited scope of our activities. That is why the members of the committee must feel that from now on, individually, they are the committee itself. We are not here to make speeches as Mr. Raymond has said. We know how hard it will be for this committee to function and we might give some concern to the order of procedure and to the subjects to be brought before us. We are working on a new thing and personally I think it would be absolutely hopeless to think, for a moment, that I could make this committee function, unless I had the wholehearted support of all the members. You must not be backward in any way. Now, to come to the real work, I have invited Mr. Wrong to speak to us. He accepted gladly, although he realized the position he would be in, since he is an official of a department, coming before a committee of the House of Commons. He asked me to give him some pointers or directives, but I said I could not do so. I said he knew much more than I did about external affairs. After Mr. Wrong has made his statement, he will be open to questioning by the members of the committee. I thank you, Mr. Wrong, for coming here this morning.

Mr. WRONG: Mr. Chairman and members of the committee: I think that the Department of External Affairs, and its officials look forward to useful collaboration with this new committee of the House of Commons. It has been borne in on me, certainly, not only for the last few months, but particularly

over the last few years, that the field of external affairs now reaches, not only into the field of international relations, but also into all phases of government and national life. I do not think we can look forward to any diminution in that scope and extent. In fact, the end of the war has brought with it the termination of the concentration of the public and the governments of the belligerent nations on the objective of obtaining victory. It has, therefore, you might say, widened the scope of, and the necessity for, agreement in new fields. It has already brought to the Department of External Affairs activities in rather new fields which have placed, I think I may say, a rather heavy load on the department, at the present time. I did not prepare any general statement to make, because the field is so large that one would not know where to begin for the information of the committee. I do not know which line of approach would suit the committee best. I do not know whether you would be interested in my giving a perhaps elementary, brief outline of the way in which the department actually operates, as a starter?

Mr. BOUCHER: It would be very helpful.

Mr. WRONG: The Department of External Affairs is still one of the smaller departments of the government. It originated in the year 1907. Previously external affairs had been a portion of the Department of the Secretary of State. The department was established in that year by an act of parliament which is still in effect, which is still unamended. It was a very small group. I think I am one of the veterans of the department now. I think only two or three people have been in external affairs longer than I have. I have been in it since 1927. When I joined the department, you could certainly get all the members of the department in this square within these tables, something you could not manage to do now, although we are still one of the smaller departments. The obvious divisions of the department are between those who are on our staff here in Ottawa and those who are our representatives abroad. The department, as a whole, operates through the departmental organization in the east block, and through the activities of now some twenty missions which we maintain in different countries, countries of the British commonwealth and foreign countries.

The number of missions has expanded very greatly since the war began. At the outset, in 1939 we had only six missions abroad. We now have approximately twenty, and we shall have to establish a few new ones because we are already in diplomatic relationship with certain countries which are represented in Ottawa by ambassadors or ministers. Due to war conditions we have not been able to establish missions in those countries.

We maintain a foreign service, which is the new title which has just been given to it. It includes permanent officials who are stationed both in the department and in the field. They are appointed as a result of examinations, except in a few special cases, of which I was one, incidentally. When I first joined there was no procedure for entrance into the department; that is, no procedure for entrance as a result of competitive examination. Now our service must number—it is changing almost every day, because we are taking in a number of young men coming out of the armed forces—it must number 70 to 75. As to what I would call officers of the department, we have a number of distinguished Canadians who are serving as the heads of Canadian missions abroad in a number of capitals. Some of our heads of missions come from the permanent public service, and some come from outside the public service. I might cite as an example General Odum in China, as Canadian ambassador there, and we have Mr. Justice Davis in Australia as Canadian High Commissioner. These people were appointed from outside the service, although Mr. Justice Davis had previously served as deputy minister of national war services in Ottawa. Then, we have Mr. Pearson and Mr. Wilgress, who are permanent public servants.

The problems of administration, even for a department so small in size, are pretty complicated because you have to consider the conditions of living and separate establishments in many different countries. We have to have probably a higher proportion of senior officers than most of the other departments of government. In mentioning senior officers I am not making any distinction between the permanent members of our service like Mr. Pearson, and those who have been appointed from outside the service like General Odum. People are required who can speak with authority and with tact and distinction, to head our missions abroad, as well as for the normal hierarchy of our departmental staff in Ottawa, who direct the operations of the missions abroad and who handle the questions of external affairs in Ottawa itself.

It is necessary that the Department of External Affairs should work in very closely with a number of other departments of government, perhaps, in particular, with the Department of Trade and Commerce and with the Department of Finance, and with the Defence Departments in present conditions. I can say that in the course of two or three months, matters relating to every department in Ottawa cross my desk in the Department of External Affairs. We operate through a system of interdepartmental liaison, some unofficial, and not formalized, and some through standing official committees. I do not know if I can go much further than that. Perhaps it would be easier if members should ask me questions on specific points.

The CHAIRMAN: I think that would be easier.

Mr. BOUCHER: Mr. Wrong, will you first explain to the committee about the various status of foreign representatives such as ambassadors, ministers, high commissioners and so on, and the countries that are included in our representation?

Mr. WRONG: Well, I am not sure that I can give from memory a complete list of the countries. On your first point there is no practical distinction between the status of an ambassador and that of a minister. We originally started our representatives abroad with the rank of minister but during the war, in 1943, I think, the minister in Washington was raised to the rank of ambassador. That was done through the mutual desire of President Roosevelt and the Prime Minister. The functions are indistinguishable now. I think I can say that the rank of minister is in course of disappearance. It seemed absurd for the United States government to exchange ambassadors with all the Latin American republics, but to have Canada represented by a minister, whereas San Salvador and the Dominican Republic were represented by ambassadors. In most countries there is no real difference in status between the two ranks. We treat ambassadors and ministers in exactly the same way in Ottawa, except on the rare occasions when the diplomatic corps forms up in order of precedence, when the ambassadors come before the ministers. I think, in time, they will all be called ambassadors.

We have ambassadors in five Latin American countries: Brazil, Argentina, Chile, Mexico and Peru. We have a minister in Cuba. In Europe we have ambassadors in Paris and Moscow and Brussels, and we have a minister in The Hague. In Asia we have an ambassador in China. I think that is the complete list of ambassadors.

Mr. KNOWLES: What about Washington?

Mr. WRONG: Yes, I forgot the most important of them. At Washington we have an ambassador, of course. I was thinking only of Latin America. Now, turn to the other type, the high commissioners. That is a rather cumbersome title, but it is one now sanctioned by long use. We have had a High Commissioner in London now since the eighteen-eighties, sixty years about. We treat, in practice, high commissioners appointed between countries of the British commonwealth in much the same, or in exactly the same way as we treat the heads

of diplomatic missions. We make no distinction except with effect to their formal place in order of precedence. Under international law an ambassador is appointed by the head of a state with credentials to the head of the state. Of course in Australia and in Canada, His Majesty the King does not accredit a Canadian High Commissioner to Australia, to himself as the King of Australia. In practice it makes very little difference. Since the war began, seeing the need for greater and more direct means of communication with other commonwealth governments, we appointed high commissioners to Australia, New Zealand, South Africa, Ireland, and later on to Newfoundland where we had many special problems to settle in consultation with the Newfoundland government which arose from our partial responsibility for the defence of Newfoundland during the war. There are six high commissioners in the British Commonwealth Countries.

In addition, we have started consular representation. We have a Consul General in New York. Also, for war purposes, which I imagine will not be continued, we have a consular representative in Greenland, because Greenland was the intervening territory between the northern part of Canada and the European war. After the occupation of Denmark, the status of Greenland was of very considerable concern to us and in addition to that there was the fact that Greenland was the sole source of natural cryolite, which was an essential ingredient in the manufacture of aluminum.

Mr. COLDWELL: Is there any difference in the channel of communication with the British government where we have a high commissioner, and where we have an ambassador? What part does the Dominions Office play in the commonwealth establishment?

Mr. WRONG: Yes there is quite a distinction, not only as between Canada and the British government, but as between all the commonwealth governments. The commonwealth governments use direct communication from government to government in the conduct of business. The arrangement is that the high commissioners receive a copy of communications which are directly exchanged. We do not necessarily answer a telegram, let us say, addressed to us by the Dominions Office by a telegram addressed to the Dominions Office. Quite frequently we answer through the High Commissioner in London. But we receive a very large volume of communications from the Dominions Office. Other governments would pass their communications through their own representatives in Ottawa or through our representative in the capital concerned. There may also be some top level communications between the heads of governments, but that is a rare occurrence.

The CHAIRMAN: I presume the committee wants this procedure to be put in Hansard?

Mr. COLDWELL: I think that is all right.

Mr. BOUCHER: Unless we say something we should not. Mr. Wrong could be the judge of that.

Mr. KNOWLES: On the subject of asking general questions, I would like to ask one which may seem unimportant but which concerned me a number of times. Most of us have had occasion to go over to the Radio Bureau in the east block in order to record our version of what happens in the House of Commons for the folks back home. Yet I am always concerned, when I go down, by what appears to be rather important external affairs filing cabinets. I do not know whether they are important or not, but they seem to be rather poorly housed.

The CHAIRMAN: May be they are paid-up bills.

Mr. KNOWLES: May be they are unpaid bills. How are you fixed in the department with respect to that?

Mr. WRONG: For some time it has been the Prime Minister's intention to equip us with better quarters.

Mr. KNOWLES: But if there were to be a fire over there?

Mr. WRONG: The east block has advantages. The rooms are large and light for the most part, but the building is far from fireproof. The filing cabinets you refer to are probably the overflow from the library and contain pamphlets and periodicals put away there. We keep our archives on the floor below, the current ones. The ones that are several years old we keep in the basement in steel cabinets which are supposed to be fire proof, but which probably would not be, if the east block went up in flames.

Mr. COLDWELL: As it might.

Mr. WRONG: Yes, as it might. We try to observe precautions in the building itself, but we hope to get a modern fireproof building before long, for this reason as well as for the comfort of the employees in the building. It is desirable that the files should have some space especially designed, as well the code and cypher communication centre and the archives of files, because we have a very large mass of secret papers in the Department of External Affairs.

Mr. KNOWLES: Is your department almost completely housed in the east block?

Mr. WRONG: We have had to separate into the new post office building because of the expansion of the department during the war. I should think that about one-third of our people are now in the new post office building. We had to move some last week.

Mr. COLDWELL: If there is direct communication between our government and the British Government, does the Dominions Office play a very important function nowadays in the scheme of things?

Mr. WRONG: I think, rather surprisingly, the role of the Dominions Office has increased in importance.

Mr. COLDWELL: Has it?

Mr. WRONG: Yes. It plays an effective part as a sort of liaison, in the British governmental machine, as well as inside the commonwealth.

The discussion took place at this point off the record.

Mr. BOUCHER: Mr. Wrong, I should personally like it to have a rough description of the set-up of the Department of External Affairs in Ottawa, I think it would be interesting to the committee.

Mr. WRONG: Well, I think I can safely say that it is not a very fixed thing. We reallocate our functions and change around our divisions on the average perhaps of once every six months to correspond with the work in hand, which changes in character all the time. At the present, the department is divided as follows: to start at the top, there is Mr. Robertson, Under Secretary, while I am the Associate Under Secretary. I have the special responsibility of supervising the political divisions of the department while Mr. Robertson, in addition to his legal responsibilities as deputy minister, supervises the other divisions of the department directly. Then the two next senior members of the staff are Mr. Read, Legal Adviser, and Mr. Beaudry, Assistant Under Secretary. There are three divisions dealing with political questions at the present time.

Mr. BOUCHER: When you speak of political questions, you mean mostly internal questions?

Mr. WRONG: International political questions entirely. The first of the three divisions deals with questions of international organization and general matters affecting the peace settlement. The other two are geographical. They deal with political affairs in certain areas. One takes in Europe and the commonwealth. It is a large assignment. The other, the American continents and the far east, on the political side. Then we have a legal division which is again extremely active at the present time and rather hard pressed. It looks

after the functions you would expect a legal division to do, including the drafting of international instruments and that sort of thing. It also contains a separate section which is concerned with looking after and furthering the interests of Canadian civilians left in enemy territory originally, and it has now taken on more problems such as repatriation and consular work and that kind of thing. Then there is an economic division which has to work very closely with the other divisions of course. It handles the current economic business passing through the department and is responsible for conducting a good deal of liaison business with the other departments at Ottawa. Then there is the diplomatic division which deals with the diplomatic corps in Ottawa and its problems, and has general responsibility for certain other questions such as passports and questions of immigration, with respect to our policies towards individual correspondence, and a number of detailed matters of that nature. We have recently established an information division to look after the international aspects of what is known by the somewhat difficult name of cultural co-operation, and to work very closely with the Wartime Information Board, which is now the Canadian Information Service.

Mr. FRASER: In picking the ambassadors for these different countries, I suppose you picked an ambassador for Brazil who could speak Portuguese?

Mr. WRONG: Not necessarily.

Mr. FRASER: How about his staff?

Mr. WRONG: We always try to ensure that there is at least one Portuguese speaking member on the staff and we encourage them to learn the local language where necessary. We have been fairly fortunate in that respect. The ambassador in Brazil did not know any Portuguese until he was appointed. Our ambassador in Moscow speaks Russian and is rather an exception amongst the diplomatic corps there. If you had to limit your choice to those who could speak a certain language, you might find it very difficult, in the case for instance where a person was required to speak Yugoslav or modern Greek. You might find it very difficult to find such a person.

Mr. FRASER: But you find somebody who could help him to do it.

Mr. WRONG: We have a mission at Athens and we have with the ambassador there a gentleman as a special attache who can speak modern Greek fluently.

Mr. FRASER: Do you try to pick members of the staff for those embassies who have a knowledge of the country that they go to; I mean, habits and manners of the people, so that they can get along better with them?

Mr. WRONG: We think the best way of acquiring knowledge of conditions is to send junior members to the country in question and to let them move around from post to post in order to spread knowledge among members of the service. So we try to move the junior members of the staff every three years, on a rough average. For example, we have one junior officer who has been nearly four years in Brazil and has learnt Portuguese who now is en route to Moscow. He happened to know some Russian before he joined our service.

Mr. FRASER: I shall mention South American or Central American countries. Their habits are entirely different to ours. You would have to have men there who would understand people. I know that not only in those countries but in other countries other ambassadors have on their staffs men who are not suitable for their positions so I wondered if Canada was keeping that in mind?

Mr. WRONG: We try to bear that in mind and to instill into our representatives abroad that it is their duty to acquire a practical knowledge of the habits and life of the people where they are stationed.

Mr. FLEMING: I would like to know, Mr. Chairman, the size of the establishment of this department both in Ottawa and the various capitals abroad. I think it would be of interest to us to have some appreciation of the magnitude of the department in relation to the work with which it is charged.

Mr. WRONG: I can't give you any exact figure offhand, but I think the total number of people on our payroll now is about 500.

Mr. BOUCHER: At home and abroad?

Mr. WRONG: At home and abroad.

Mr. FLEMING: Could that information be made available?

Mr. WRONG: I think we could probably get it out. It will be prepared for the estimates in any event.

Mr. BOUCHER: One other question as to the differentiation of the functions of the Secretary of State and the Department of External Affairs in matters relating to extra departmental work such as the custody of our citizens abroad and passports and so forth. Can you give us any line of demarcation as between the two departments?

Mr. WRONG: I do not think there is any practical difficulty there, because it is the responsibility of the Secretary of State to rule on questions of nationality. But it is usually the responsibility of our department, certainly abroad, to apply those rules to the individual. Those are problems which have caused us a great volume of work, particularly in recent years or months on the European continent because there are a great number of people who have become naturalized in Canada but who returned before the war to their own countries of origin, some allied countries and some enemy countries, and who have been there for a good many years. You now have to decide whether this man is a Canadian citizen or a Canadian national. I have to use both terms, until the new bill now before the House becomes law.

Mr. BOUCHER: I have great difficulty in ascertaining the demarcation of functions between the two departments.

Mr. WRONG: The Department of the Secretary of State determines questions of nationality, but we are executors of its decisions as it were, when such decisions require execution abroad.

Mr. COLDWELL: I wanted to follow up the question of what is the relationship of a consul general and a consul to the department, and to the ambassador, where we have them in the United States?

Mr. WRONG: I can only offer you a rather offhand, and therefore rather inexact definition. An ambassador is, by international practice responsible, in general, for the activities conducted by any official of his government in the country in which he is accredited. That is, if any government official were to commit some serious breach of duty, the matter would be taken up with the ambassador, no matter what the definite relationship might be between them. That is international practice. On the other hand the relationship between an ambassador and a consular officer is different. They are both responsible to the Ottawa office here. The ambassador could request the consul to take action, but the consul general for example in New York does not communicate with us through the Embassy. He communicates with us direct. Before very long we shall probably have to establish half a dozen other consular offices in the United States whereupon the ambassador will have to see that their lines of demarcation are clearly defined and he will have to ensure that proper co-ordination is achieved, subject of course to any direction that he may get from Ottawa.

Mr. COLDWELL: The consul will report to the consul general or to the ambassador?

Mr. WRONG: He can call on them for reports on anything. It is the consul's duty to report on the general political field, reporting information, and reporting on matters which may require inter-governmental action. The consul does not deal directly with a foreign government. He may deal with local agencies in the country concerned, but not with the central government.

Mr. COLDWELL: Would that be the situation in Washington for example?

Mr. WRONG: No, except through the Embassy. He would have to ask the ambassador to do that for him.

Mr. MUTCH: He deals at consular level?

Mr. WRONG: Yes, and he has an area within which he is responsible to exercise consular functions.

Mr. MUTCH: I wonder if you would indicate if there has been any consideration given, perhaps, to this matter of policy? If you wish, you may decline to answer the question. There has been a feeling that our trade and our foreign relations bureau are very much tied up so far as our general international picture is concerned. We are sending out of this country two types of missionaries, if you like, one political and one economic or financial. To-day, as every one knows, the domestic field or international field is nearing the economic field and the two are gradually merging. I know there may be departmental difficulties in having any direct arrangement with respect to these two group, but it has occurred to some of us who are strictly laymen in the matter that there is considerable over-lapping with respect to these two services. So I was wondering if consideration had been given as to how far the two could be correlated in the interest of efficiency and economy?

Mr. WRONG: Mr. Chairman, I think I can answer that by saying that it is a subject which has been dealt with through long consultations between the two departments. During the war the normal functions of the trade commissioners were almost necessarily suspended. Their historic function has been the promotion of Canadian export trade to private importers in other countries. They have had little dealings with governments. These functions have only recently revived and attained a high level of importance. We have worked out and are applying a close system of co-ordination in the field. Trade commissioners in countries where we have either diplomatic missions or high commissioner offices in almost all cases,—except where they are stationed at points that are not capitals, that would be an exception—now are attached to the mission. For example, the senior trade commissioner in the United States is the commercial counselor of the Canadian Embassy in Washington. In Paris the same pattern applies, and where possible it is that way all around. Trade commissioner ceases to be their official title, and they become commercial counselors or commercial secretaries of the mission. That, I think, you will find in all capitals where we have diplomatic missions, and we are doing that with the high commissioner's office. The senior government trade commissioner has always been stationed at Canada House. That has been done for many years, and he is a member of the staff although he has the right to report to, and to take instructions from his own department, directly. There has not been much come to my attention in the way of friction in that field in recent years.

Mr. MUTCH: I did not hear of any friction in that field. It was purely a matter of merging of those two movements.

Mr. WRONG: I think that, in all probability, the relationship will go forward. Certainly, hardly a day passes when I do not discuss something of that nature with the Deputy Minister of Trade and Commerce.

Mr. COLDWELL: I was in Los Angeles during the summer and I found a trade commissioner there. I found a desire that the trade commissioner be raised to the status of consul, or that a consul should be placed there for the

advantage of the large number of Canadians who live there. I had a letter from Los Angeles within the week stating that the Canadian prisoners of war arriving in Los Angeles received no recognition from local Canadian authorities, but from the British consul, and that these Canadians thought themselves overlooked because there was no one there to do the job which they expected the Canadians to do.

Mr. WRONG: One reason for that is that we never know where these people were coming in from the Pacific. We were told that San Francisco was to be the clearing port for prisoners and internees and we have a representative at San Francisco who is still there. But we have found, quite often, that the ships actually arrived before we in Canada knew there were any Canadians on board. It was a matter where we could not get advance information.

Mr. COLDWELL: My friends in Los Angeles were very perturbed because they could not welcome their boys back.

Mr. FRASER: Have you got some small countries where there is only a trade commissioner?

Mr. WRONG: Particularly at the present time in the colonial territories there are only trade commissioners.

Mr. FRASER: But they act as your agents also?

Mr. WRONG: Yes, to some degree. But we are primarily concerned with matters involving intergovernmental action and we occasionally use trade commissioners for that purpose. But we do not issue very frequently instructions to them of that sort.

Mr. FRASER: You have no foreign countries where the trade commissioner acts?

Mr. WRONG: I wouldn't like to answer offhand. There may be still some countries where there is a trade commissioner, but no diplomatic representative.

Mr. FRASER: I thought of a couple of places.

Mr. FLEMING: In those countries where we have not yet accredited ambassadors or ministers, our diplomatic relations are still handled through British representatives?

Mr. WRONG: Yes, except in the case I referred to earlier where there are diplomatic representatives of those countries in Ottawa. In such cases we usually deal with the government through them.

Mr. FLEMING: The Dominions Office does not come into that picture at all?

Mr. WRONG: We handle, quite frequently, matters of concern to us by sending a direct request from Ottawa to the British representative concerned. It would depend on the nature of the subject. Sometimes we would instruct the High Commissioner in London to take up with the foreign office the request. Sometimes it would come through the High Commissioner's office, and sometimes direct from here. It depends on various matters which channel we would use. Every week we send some telegrams to a British representative in a country where we have no Canadian representative.

Mr. FLEMING: In a situation where Canada has no Canadian representative and we wished to sever diplomatic relations, what would happen?

Mr. WRONG: Our relations are really maintained by His Majesty the King, through His Majesty's United Kingdom representative on the spot. When you sever your diplomatic relations, the formal procedure would be that the king, being head of the state, would sever contact with the head of the other state. The king would act naturally through whatever representative he has there. If the king has three or four representatives, he would have to act

through them all, if the relations of all the commonwealth countries concerned were to be broken at the same time. I do not think there would be any legal bar to partial severance with foreign countries.

Mr. COLDWELL: What about Ireland? Does it conduct its business through the British foreign office? You will recall that they retained the diplomatic relationship with the countries with which we were at war?

Mr. WRONG: I think, in point of fact, that the Irish retained their diplomatic missions until the defeat of the enemies. Their ministers were in Rome and in Germany.

Mr. COLDWELL: In the event of Canada's breaking off diplomatic relationship and Great Britain not, and were represented by a British ambassador at that point, that would be a rather embarrassing situation for Great Britain, for Canada, and for the ambassador himself?

Mr. WRONG: I think it would result more likely in practice in the embarrassment of our own diplomats than of the government concerned.

Mr. COLDWELL: Presumably, because we have appointed the ambassador. We find it advantageous to have our own representative. That would be human.

Mr. WRONG: Undoubtedly.

Mr. FRASER: In places where we have not got ambassadors or consuls, and in the event of the new naturalization bill going through, will that affect the British representative?

Mr. WRONG: Yes. They would have to be notified of its terms, so that they could apply such alterations to previous practice as might be necessary.

Mr. COLDWELL: On the other hand he still represents Canadians as British subjects under that bill. The bill does not disturb that status.

Mr. FRASER: Is Mr. Wrong to say anything about this motion today?

The CHAIRMAN: We were discussing a resolution brought in by the International Labour Bureau. I do not think it would come under your department, Mr. Wrong.

Mr. WRONG: No. I could, perhaps, answer general questions on the procedure of the International Labour organization, but I cannot deal with the substance of particular conventions covered by the motions introduced by the Minister of Labour.

Mr. FRASER: I wondered if this came before your department in 1932, and if so, would you have any evidence on it, or anything on it that would help this committee?

Mr. WRONG: I think that information should properly come from the Department of Labour. It is true that in arranging for representation at the international labour conferences the Departments of Labour and External Affairs have collaborated closely and both departments have been represented. But the problems are related to the Department of Labour rather than to ours.

Mr. COLDWELL: This industrial committee should take care of this.

Mr. WRONG: Please do not involve me in that.

Mr. COLDWELL: I could not resist the comment.

Mr. FRASER: I just wanted to ask that question.

The CHAIRMAN: I would just like to ask a question. In the matter of publicity of your department, this committee feels that Canadian people generally are not greatly informed in the matter of external affairs. Is there any bulletin or statement issued by your department on its activities, ramifications and so on?

Mr. WRONG: That question touches me rather closely because, for the last three and one half years, I have conducted a weekly press conference in which I have answered, as far as I can, any inquiries of any member of the press gallery, that they may wish to bring up. I have been told by members of the press gallery that they have thought that their relationships with the Department of External Affairs were on a very good footing. I usually hold the conference at 11 o'clock on Thursday morning so it had to be cancelled this morning because of a conflict with this meeting and the Senate committee.

The CHAIRMAN: But you have no periodical of your own?

Mr. WRONG: No. It would be very difficult for us to issue a periodical which would be very informative. We give out the text of public documents promptly and we usually table them in the House and they are given in the press.

Mr. JAKES: With regard to diplomatic privilege abroad, would the members of the Senate and the House of Commons benefit? Is it the usual practice for members of the House of Commons and the Senate to receive any kind of privilege when they are proceeding through another country?

Mr. WRONG: It would entirely depend upon whatever the country concerned chose to accord. There is no question of a right there, or question of a law.

Mr. JAKES: Just to give an instance. Suppose I happened to be in London and we were journeying to Canada. Suppose the ship were to be routed for some reason through New York. Would we, of necessity, have to go through to be photographed and to be fingerprinted?

Mr. WRONG: That would be entirely a matter of United States regulations.

Mr. COLDWELL: It depends on the passport. I was a member of a parliamentary delegation to Great Britain in 1941 and I was at the San Francisco conference too. Our passports were marked and we were accorded not only every courtesy, but we were relieved of the necessity of going through the ordinary kind of thing that the ordinary immigrant has to do. On the other hand, when I passed in and out of the United States as an honorary visitor, or as any one else, I used to pass through the same immigration and customs routine as all the other people entering or leaving that country. But, when one is on official business, the situation is entirely different.

Mr. WRONG: Yes. The difference does not arise from the fact that you are a member of a legislative body. It arises from the fact of your official business.

Mr. COLDWELL: Yes, it arises through my official business.

Mr. WRONG: But it still remains with the country concerned, depending upon its discretion, as to what type of privilege or courtesy they will accord. There are certain treaties and international regulations laid down to facilitate the passage of delegates to certain bodies such as, for example, to San Francisco. Then there is article in the united nations charter whereby all the members agree to grant facilities to members of the delegations, but the grant was to the delegation not to the individuals.

Mr. BENIDICKSON: Does your department supervise the travelling of Canadian nationals abroad?

Mr. WRONG: Yes, in that passport office is attached to our department.

Mr. BENIDICKSON: I see from the new citizenship bill that, in one clause, it is stated that a Canadian citizen notwithstanding what is stated in previous portions of the bill, will remain a British subject.

Mr. WRONG: That raise a very profound political question about the nature of the British commonwealth relationship which I should not like to try to enter into at this stage.

I would rather not go further than that.

Mr. COLDWELL: May we adjourn now, Mr. Chairman?

The CHAIRMAN: Yes. I would in the name of the members of the committee thank Mr. Wrong for coming here and answering all these questions.

Mr. WRONG: Thank you, Mr. Chairman.

The CHAIRMAN: Just a moment ago Mr. Fleming left the committee, but before he left he handed me this note which reads as follows: "Mr. Chairman: I am sorry I must leave now. My suggestion would be that at our next meeting the Department of Labour and Mr. Phelan of the I.L.O. (International Labour Organization) should be asked to attend, and the Trades and Labour Congress and the Canadian Congress of Labour should be invited to make representations. Signed Donald M. Fleming."

Mr. COLDWELL: Representations on the?

The CHAIRMAN: Representation on the resolutions. We want to work on safe ground.

Mr. COLDWELL: I think what we should do first is to discuss the international phase of this matter, and then pass a resolution suggesting that the details leading up to the labour matters should be referred to the other committee and so reported to the House on a proper occasion.

Mr. BOUCHER: Do you know of any precedent along that line, Mr. Coldwell?

Mr. COLDWELL: No, I do not. We could discuss the international implications, the conventions, and so on, but as far as the subject matter is concerned, as Mr. Wrong so well put it this morning, he is not competent as an External Affairs officer to discuss this matter with us. It is really a matter for the Department of Labour. As for the people on this committee, I would not say they are not competent to discuss the matter. But it is not their function to do so because the other committee was established by the House for that purpose. In many instances the men placed on that committee were very competent indeed to go into these labour matters.

Mr. BENEDICKSON: Suppose we leave that actual decision to the next meeting and then be prepared to listen to whoever may be brought to explain that matter to us.

Mr. BOUCHER: One way to look at this is to do as Mr. Coldwell suggests and to leave the other thing in abeyance. Another way is that if we are to bring in proff to explain it to us, then I think we should have members of the Labour department sitting in with us at the time so that if matters were brought up which affected them, they would have heard the representations. That is my personal feeling.

Mr. COLDWELL: I should think that the proper man to do that would be Mr. Phelan.

Mr. BOUCHER: If we are going to hear anybody on this matter, in the position in which we stand, we should hear him with a viewpoint of putting our teeth into our referenced and finishing it. I think the Department of Labour should come in and join us.

The CHAIRMAN: Would you care to put that in the form of a resolution what was stated just now, because, once again, we must build properly.

Mr. COLDWELL: As far as international relationship goes, Mr. Phelan as the head of the Canadian labour organization is interested in the international agreements and the international aspects of it. So what the chairman suggests is perfectly sound.

Mr. BOUCHER: I think if that interferes with international aspects it would interfere labour problems as well.

Mr. BENEDICKSON: He said that the certain way to do it is to find out from the correspondence and the files just why this bill is now brought here. It is a curious thing that after thirteen years we are now to be asked to ratify it.

The CHAIRMAN: Our concern with the two resolutions is that they are brought in by the International Labour Bureau. If they were brought in by a local department here I would be the first one to say: we cannot deal with them.

Mr. KNOWLES: We have nothing before us except the motion of the House referring it to the committee.

Mr. LEGER: I think that Mr. Paul Martin would be the proper man to have before us.

The CHAIRMAN: But, Mr. Knowles, at the first meeting of the committee, we had all the members express the view that we had to have an order of reference. It is true, that our new committee may have to cover such a wide scope that I, myself, feel baffled as to what exactly we are going to put teeth on directly, in our activities from now on. We have to start from that.

Mr. KNOWLES: This is an external affairs committee and if the matter is referred to us on a motion of the Minister of Labour, I would like to know whether the desire to have this done arises out of the file of correspondence in the Labour department or to the file of correspondence in External Affairs department. I think we should start from the beginning.

The CHAIRMAN: Will somebody move on the suggestion I stated, that at our next meeting the Department of Labour and Mr. Phelan of the International Labour Office, Montreal, should be asked to attend, as well as the Canadian Congress of Labour and the Trades and Labour Congress, to make representations?

Mr. BOUCHER: Before that motion is put. We adopt that policy we are bringing here a body of men who are going to deal with the labour aspects of this. There are enough international aspects for us to take care of. We have this committee, and at our first meeting we embark on a matter which would probably be 95 per cent labour rather than 95 per cent external affairs. So I think before we have any witnesses here, we should see that the labour element of this bill is properly discussed by some committee of the House. Possibly we might decide that the other committee would be the better committee to discuss it. Or we might decide to have joint meetings of both committees, and then we would have their opinion and suggestions.

Mr. COLDWELL: Suppose you refrain from inviting local labour representatives at the moment and invite representatives of the Department of Labour and Mr. Phelan of the I.L.O. Then we will get a picture as to why this is before any committee of the House of Commons at the present time. Why I should just invite those two this time would be so that we could see what the implications are, and then we can proceed from there.

The CHAIRMAN: I think that is the solution to this question now. Then the motion should read: "That at our next meeting the Department of Labour and Mr. Phelan of the I.L.O., Montreal, should be asked to attend. Will anyone move that?"

Mr. COLDWELL: I move it.

The CHAIRMAN: All those in favour? Carried! I want to remind the steering committee to meet at my office No. 267 at 10.30. Mr. Knowles is on that committee too.

Mr. KNOWLES: When?

The CHAIRMAN: To-morrow. It will likely be a short meeting, but there is likely to be quite a bit of work for the steering committee to do. The first question will be when our next meeting is to be called. So, to-morrow the steering committee will come to my office.

The committee adjourned at 1.05 p.m. to meet again at the call of the chair.



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SESSION 1945

HOUSE OF COMMONS

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(STANDING COMMITTEE

(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, OCTOBER 30, 1945

Statement of Honourable Mr. H. Mitchell, Minister of Labour

WITNESSES:

Mr. Eric Stangroom, Special Assistant to the Deputy Minister, and
Miss Margaret Mackintosh, Chief of the Legislation Branch, Department
of Labour.

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MINUTES OF PROCEEDINGS

TUESDAY, October 30, 1945. Room 268.

The Standing Committee on External Affairs met this day at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Mrs. Strum, Messrs. Blanchette, Boucher, Bradette, Coldwell, Fleming, Fraser, Graydon, Isnor, Jaques, Knowles, Leger, Low, MacInnis, Marquis, McIlraith, Picard, Sinclair (*Ontario*) and Winkler.—(19).

Honourable Mr. H. Mitchell, the Minister of Labour was present.

As agreed at the last meeting, Mr. Eric Stangroom and Miss Margaret Mackintosh, respectively special assistant to the Deputy Minister and chief of the legislation Branch of the Department of Labour were present.

In attendance: Miss Edith Hardy, Department of Labour.

Honourable Mr. Mitchell made a brief statement on the establishment of the International Labour Organization and was questioned thereon.

Mr. Eric Stangroom was called. He made a statement of facts respecting the two conventions before the Committee. He was questioned and retired.

Miss Margaret Mackintosh was called. She made a statement concerning the procedure of ratification of conventions of the International Labour Organization. She was questioned and retired.

The Chairman thanked the Minister and the two witnesses.

Because safety measures respecting loading ships come under The Shipping Inspection Branch of the Department of Transport, and because statistics relative to wages concern the Dominion Bureau of Statistics of the Department of Trade and Commerce, it was decided to call representatives of those departments at the next meeting.

On motion of Mr. Coldwell, it was *resolved* that representatives of the Department of Transport and the Department of Trade and Commerce be called before the Committee at its next meeting.

The Chairman invited the Steering Committee to a meeting on Friday, November 2 at 10.30 o'clock in his office.

At 12.55 p.m., the Committee adjourned until Thursday, November 1, at 11.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

October 30, 1945.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Order. The members of the committee have notice that we called the meeting again at 11.30. We had a meeting of the steering committee and we are still undecided as to the exact hour at which we should have our meetings. But we decided to hold the meeting at 11.30 today, and we will have a meeting of the steering committee again, and we will get in touch with the Committee on Veterans Affairs. That is a committee that does not want to delay its activities. We have tried to do something about the lighting but we have been so far unsuccessful. We may not be able to go very far in changing the lighting system here. This morning we have the Order of Reference and we also have the pleasure of having the Hon. Mr. Mitchell, Minister of Labour, who will address the meeting first. He has with him Mr. Eric Stangroom, and Miss Margaret Mackintosh. Now I shall leave the floor to the Hon. Mr. Mitchell.

Mr. COLDWELL: Was Mr. Phelan invited to be here?

Hon. Mr. MITCHELL: Mr. Phelan is in Paris.

Mr. MACINNIS: I understood that this was to be a meeting of the External Affairs committee. Now all we have are representatives of the Department of Labour, and, so far as I can see, no representatives of the Department of External Affairs. Either the wrong representatives are here, or this has been referred to the wrong committee.

The CHAIRMAN: That matter has been discussed and we found a measure of difficulty, first of all, when we came to the resolution. But we have had expressions of opinion that it is within the capacity of this committee to deal with these two resolutions. So, let us proceed.

Mr. FLEMING: Even if the other committee would be a more appropriate committee, the House of Commons has referred the matter to this committee.

Mr. COLDWELL: We can take it back again and say that we do not know very much about it. It might not be altogether true.

Mr. FLEMING: Maybe it is well for the measure that it was referred to the best committee.

The CHAIRMAN: I had an interview with the chairman of the Labour Relations committee. He was not speaking officially, because his committee had not met yet, but he thought it would be in order for us to start discussion, in any event, and, if necessary, then to have a meeting together. So, if that is satisfactory to the members of the committee, we will proceed now and ask the honourable the Minister of Labour to address the committee.

Hon. Mr. MITCHELL: Might I touch on the first point raised by my good friend Mr. MacInnis? As he is no doubt well aware, this is an international question. When he and I were members of the House of Commons in 1933 or 1934, we passed that social legislation, introduced at that time, and predicated upon the treaty making powers of the federal government under the British North America Act which, in itself, of course, is the basis of our international relations, the relations between Canada and the International Labour Office,

which at that time was, of course, a part of the League of Nations. But as I look over this committee this morning, I do not know of any better one to deal with the questions that we have before us. Mr. MacInnis is schooled in the problems of the longshoremen, and as to the other questions, we have members of the Labour department here. My understanding is that this committee held a preparatory meeting and that the chairman felt that if the Labour department officials were heard, that that was possibly about all you could do this morning. These two conventions affect three departments, the Labour department, the Department of Transport, and the Department of Trade and Commerce, under whose jurisdictional compilation all the statistics of the kind and character dealt with in one of these conventions comes. My statement is going to be very brief this morning. The members of this committee are as well informed as I am about the origin and establishment of the International Labour Office. It was a part, or one of the organizations developed out of the Treaty of Versailles, and I think it may be truthfully said that it has made a great contribution, and has been of great benefit to the welfare of the men and women of the respective countries which are affiliated with the organization—a greater contribution possibly than that of any other institution set up or arising out of that treaty after the last great war. At the moment it is meeting in the city of Paris, and Canada is represented by Mr. Gray Turgeon from Vancouver, as the government representative, and Mr. Phelan as his adviser, representing Mr. McNamara, who is a member of the Governing Body. Then there are also representatives from the Trades and Labour Congress of Canada, who have a member on the Governing Body, and the Canadian Congress of Labour.

Mr. COLDWELL: In an advisory capacity?

Hon. Mr. MITCHELL: Yes, in an advisory capacity; that is, advisory to the Labour delegate, and the Catholic Syndicates in the province of Quebec.

Mr. COLDWELL: They would also be in an advisory capacity?

Hon. Mr. MITCHELL: Yes, they are also in an advisory capacity. Then, of course, there are the railroad running trades, or railroad organizations. They felt, in view of the fact that the changes did not affect their organization, and in the light of the pressure of business in front of those organizations in Canada at the present time, that they should not send a delegate. Then the Canadian Manufacturers Association and the Canadian Construction Association are also represented there, in addition to three provincial governments, who have sent their ministers of Labour as advisors to the government delegates, and those are: Ontario, Quebec and Saskatchewan. That practice has always been traditional since the establishment of the International Labour Office, in view of the federal set-up of the Canadian government institution. It has always been traditional, irrespective of the government in power in the Dominion and in the provinces; and an invitation has always been extended to the representative ministers of Labour or those ministers who are jurisdictional over labour matters, to go as representatives or advisors to the government delegates.

Mr. COLDWELL: Who is the employers' delegate?

Hon. Mr. MITCHELL: Mr. Harry Taylor, who I think is the chief of personnel of the Canadian Carbide Company. He is a member of the National War Labour Relations Board and was, at one time, a member of the original War Labour Board. I should add that, of course, as to the provincial government delegates and the ministers of Labour, their expenses are paid by the governments themselves.

Mr. COLDWELL: Who is the labour representative?

Hon. Mr. MITCHELL: The labour representative is Mr. Birt Showler, president of the Vancouver and New Westminster Trades and Labour Council, the three advisers to whom are Mr. Arthur D'Aoust, vice-president of the Inter-

national Union of Papermakers, and Mr. Norman Dowd, who is the secretary of the Canadian Congress of Labour, and Mr. Alfred Charpentier, who is president of the National Catholic Syndicates in Quebec. I do not think I need go into the details of the background or ratification of these conventions because I think much more can be done through questions. One could speak for a long time about the background of this organization and about the development and the ratification of conventions of respective countries.

Mr. COLDWELL: What is the significance of the term "convention"?

Hon. Mr. MITCHELL: Well, as to convention, first of all, the word used is "recommendation". The recommendation is worked out by the nations affiliated, the representative nations affiliated with the International Labour Office. That becomes the recommendation. It is then forwarded to the members of the I.L.O., such as the recommendations that we have here this morning, these two recommendations. Then, when a certain percentage of those affiliated have ratified those recommendations, or that recommendation, it becomes a convention. This, at the moment, is a convention. I should point out that these were approved in error. There was some slip in the attachments. That is why they were not in order, and, of course, why they were introduced again by Mr. Rogers in 1939; I think it was, on March 30. But the House of Commons adjourned for the general election and the matter was not proceeded with. Under the pressure of war, I suppose a good many of these technical things were left in the discard. So I thought that now that the war is over we should begin to move forward again with the ratification of these conventions. Of course, before you can ratify a convention, the machinery must be in existence in the country that complies with the terms of the convention. The Canada Shipping Act of 1934, I think it was 1934, indicates that fact.

Mr. MACINNIS: The Canada Shipping Act was passed in 1934.

Hon. Mr. MITCHELL: But it was not applied until some later date. I understand that the terms of the Act have been complied with in Canada, so as to make possible the ratification of this convention. The other convention, with respect to the compilation of statistics on hours of labour, wages, and other related matters has since been complied with, through the Bureau of Statistics. That is as simple as I can put it, and that is about all I can say.

Mr. KNOWLES: When was the convention first passed?

Hon. Mr. MITCHELL: The convention was first passed in 1935.

Mr. KNOWLES: Was it passed unanimously?

Hon. Mr. MITCHELL: Yes, they usually are.

Mr. GRAYDON: What was the slip in the attachment?

Hon. Mr. MITCHELL: Through a clerical error the unrevised convention was attached to the resolution of the House.

Mr. KNOWLES: Have there been any developments in the meantime that would require a minute examination of this?

Hon. Mr. MITCHELL: No to my understanding no. Not to my knowledge.

Mr. KNOWLES: The convention has not been amended since that time?

Hon. Mr. MITCHELL: Not to my knowledge, no.

Mr. FLEMING: By how many countries have these two conventions been ratified?

The CHAIRMAN: In what way do you think our committee will help in dealing with this legislation?

Hon. Mr. MITCHELL: I would say that anything that has, for its purpose, the raising of labour standards of the people engaged in an industry would be to the advantage of this country and to the countries generally. My own view

is that the I.L.O. has probably done more for the nations where there are lower standards of living than it has done for nations like our own where legislative machinery is in a much more advanced condition. The general conception of all satisfactory labour legislation and social conventions is to raise the status of the workers in the whole world. You cannot have a poor neighbour and be rich yourself. That is the underlying principle behind it.

Mr. BOUCHER: All the regulations, I take it, in this convention, have been pretty well complied with in Canada, in practice?

Hon. Mr. MITCHELL: Absolutely!

Mr. BOUCHER: You do not suggest that we add or subtract from them?

Hon. Mr. MITCHELL: You cannot do that. You have to take them as is. That is why I thought it would just go through the House of Commons without any reference to a committee.

Mr. MACINNIS: We only have to approve the recommendation?

The CHAIRMAN: Mr. Mitchell, the role of this committee is to approve them. Ours is, in effect, a standing committee, and, of course, as a committee we take ourselves fairly seriously. Is it not possible, during the discussion that will follow from this resolution, that we may evolve resolutions arising out of the committee, to be considered in the future, if we can do anything with the present resolution. That is the way I feel the committee should be used.

Hon. Mr. MITCHELL: As to Mr. Fleming's questions, on the first, No. 32, convention No. 32 concerning the protection against accidents of workers, employed in loading or unloading ships, Chile, China, the United Kingdom, Italy, Mexico, New Zealand, Spain, Sweden, and Uruguay, that is, nine. On the other convention, No. 63, concerning statistics of wages and hours of work in the principal mining and manufacturing industries, including building and construction, and in agriculture, Australia, Denmark, Egypt, Mexico, The Netherlands, New Zealand, Norway, Spain, Switzerland, and the Union of South Africa.

Mr. FLEMING: So, even our ratification wont bring this into effect?

Hon. Mr. MITCHELL: Except that it adds to the power of world-wide influence. The more ratifications you get, the better.

Mr. FLEMING: I mean, immediately?

Hon. Mr. MITCHELL: Except that some one may stand up in the House of Commons or in some other deliberating assembly and say: Canada has done this. I know I often say that myself when I plead a case. It is the natural thing to do.

Mr. MACINNIS: On the point that, I think, Mr. Boucher had in mind: these draft conventions are conventions laid down in minimum?

Hon. Mr. MITCHELL: Minimum, absolutely.

Mr. MACINNIS: And we are not compelled to stick to the minimum. We can go beyond the minimum if we so wish?

Hon. Mr. MITCHELL: Absolutely. It is a minimum.

Mr. COLDWELL: There are surprisingly few ratifications.

Hon. Mr. MITCHELL: Well, yes. I think it was Mr. Bracken who raised the question the other day. There are difficulties in connection with a state like our own, where you have federal jurisdiction and provincial jurisdictions. That situation exists more particularly in the United States, Canada, Australia and Switzerland, I would say, where it is so difficult, and where we contemplate the difficulty of the jurisdictional complications. Might I say this: that I was only this morning reading "Forty Years of Life and Labour" by Samuel Gompers, who had a great deal to do with the establishment of this organization. He pointed out the difficulty of ratification of conventions where you had federal

state and where jurisdiction was divided between a federal government, and, of course, in the United States, the state governments.

Mr. COLDWELL: Our powers of ratification are constitutional.

Hon. Mr. MITCHELL: I might say this: that consideration is being given at the moment by the I.L.O., and a study is being made of that difficulty, of the ratification of conventions by a state such as our own where there is a federal jurisdiction and a provincial jurisdiction.

Mr. MACINNIS: As far as Canada is concerned, our Constitution is not a bar to the ratification of these conventions?

Hon. Mr. MITCHELL: Absolutely not. It is strictly within our jurisdiction. You and I remember quite well when Mr. Bennett introduced his social legislation in 1934 or 1935.

Mr. COLDWELL: It was in 1935.

Hon. Mr. MITCHELL: Social legislation was introduced by Mr. Bennett in 1935, the legal basis of which was the treaty making powers of the dominion government. The ratification of certain conventions of the I.L.O., of course, was challenged in the courts, and their terms were declared ultra vires by The Privy Council.

Mr. BOUCHER: You say there is no question of the provinces interfering with the original jurisdiction, so it need not be ratified by the provinces? ?

Mr. FLEMING: There is one matter which appears in all these conventions. In the first Convention, in Article 19, Article 21, and Article 22, we have reference to communications to the League of Nations through the Secretary-General. Now, in the second convention before us, in article 25, we have a similar provision: formal ratification of this convention shall be communicated to the Secretary-General of the League of Nations for registration. We know that the League of Nations is still in existence, but it may be on its way out?

Hon. Mr. MITCHELL: I think that is a safe assumption.

Mr. FLEMING: This raises the question of the relationship of the I.L.O. to the whole structure of the Economic and Social Council of the United Nations and the provision it makes for co-operating with that body in associated fields. I would like to ask the minister: I take it that there is nothing to prevent the two conventions being carried out according to their terms; that is, by communication to the Secretary-General of the League of Nations? There is nothing yet affecting the status of the League of Nations for this particular purpose?

Hon. Mr. MITCHELL: Technically the League of Nations is still in existence; but that aspect is being studied. We have got to have some organization to deal with that particular question, the broad question of labour and social problems. I think that the I.L.O. is the organization capable of doing that because it has tradition and background and it has the technicians and all the machinery necessary, I would say in a big and broad way, so far as the democratic nations at least are concerned, and it has the faith of the working people and the employers, and, might I say, of the governments. I hope that, in the big world organization being developed, that the I.L.O. will have a part to play in that organization for the development of social and industrial standards of the working people.

Mr. COLDWELL: At San Francisco, many of the delegates on the social and economic council or committee expressed the hope and desire to name the I.L.O.

Hon. Mr. MITCHELL: As a part?

Mr. COLDWELL: As the agency under the Charter. But there was very stiff opposition to it, not by the Russians alone, but by some other countries as well. The Russians based their opposition on the fact that this was a tripartite arrangement, employers, employees and the government, whereas in

Russia there is nothing analagous to our employers. As I understand it, the I.L.O. meeting recently has been trying to meet that objection. Some of us at San Francisco even thought there was something analagous to the employer in the management of the socialistic industry in Russia, and we all hoped that the difficulty would be met by a change in the I.L.O. constitution, and that the I.L.O. would become the specialized agency under the new charter. But this has not been definitely settled, and cannot be definitely settled yet until all the arrangements have been made for setting up the council of the I.L.O. But it is hoped that the I.L.O. will be designated as one of the specialized agencies.

Mr. JAKES: Is Russia willing to co-operate in this?

Hon. Mr. MITCHELL: She is not a member, up to the moment. I speak from memory, and if my memory is not correct, I would not like it in the record. Russia resigned from the League of Nations, and the I.L.O.

Mr. COLDWELL: But prior to that time, were the Russians represented on the I.L.O?

Hon. Mr. MITCHELL: No.

Mr. FLEMING: It was quite possible to be a member of the I.L.O. and not to be a member of the League of Nations. When Japan withdrew from the League of Nations she continued to be a member of the I.L.O., because the I.L.O. was not set up by the League of Nations. It was set up under another chapter of the Treaty of Versailles, and it worked along as part of the League.

Mr. COLDWELL: I presume that under the new United Nations charter, a nation which is a member of the organization is a member of the entire organization and not, necessarily, a member of one of the specialized agencies?

Hon. Mr. MITCHELL: Quite possibly. That condition existed under all the subsidiary organizations of the League of Nations.

Mr. FLEMING: You have that same situation in Russia not having joined the food and agricultural association.

Mr. COLDWELL: Of course none of those agencies yet are specialized agencies under the social and economic council.

Mr. GRAYDON: I think there might be a point to be raised at the social and economic council as to membership: whether they were parallel or not as between members of the charter.

Mr. COLDWELL: It is open at present.

Mr. GRAYDON: Yes.

The CHAIRMAN: The fact that this will have to be adopted as read by the committee takes it out of our capacity as a committee to bring in recommendations. If that is so, what would be our work of function in discussing it, if we cannot change it? It has already been signed. But at the same time, for future reference, we should have the right to make recommendations as a committee.

Mr. BOUCHER: I take it that the only function we have is to recommend the adoption of the principles of the I.L.O. recommendation or convention.

The CHAIRMAN: It is a very limited scope.

Mr. COLDWELL: Or, you could recommend its rejection.

Hon. Mr. MITCHELL: But the legislation exists. Now, as to what the committee could do, since I have my officials here with me this morning, I thought you could hear my officials and afterwards officials from the Trade and Commerce department and the Department of Transport. You have the right to inquire, for example, under the Canada Shipping Act, whether these minimum requirements have been taken care of, and also in connection with statistics. A committee of the House of Commons has a right to know that, before it can formally ratify the convention.

Mr. COLDWELL: That is why I thought it should go to the other committee.

Mr. BOUCHER: You suggest that the committee might go into the performance in Canada of these obligations under these conventions?

The CHAIRMAN: We have been told that the scope might be enlarged, but there is no way to have it done unless there be some other recommendations. That is what I understood Mr. MacInnis to say.

Mr. COLDWELL: What Mr. MacInnis meant was that when we adopt this, we adopt the minimum standards; but that does not deter Canada from improving on those minimum standards.

The CHAIRMAN: That is what I meant.

Mr. COLDWELL: Then it is a matter for the Industrial Relations committee.

Hon. Mr. MITCHELL: It is a matter for the government itself.

The CHAIRMAN: Take for instance the Radio committee, which is a new committee. They certainly bring in recommendations emanating from their own activities, on the floor of the House of Commons, whether it be by the government or not; it is left for the government or cabinet to decide. I am not very clear on that point. Otherwise, the conventions would be practically neutralized.

Mr. COLDWELL: My meaning was this: These are minimum standards for shipping and for certain classes of labour and we could recommend to the government some improvements in them. It seems to me that they should go before another committee, the Industrial Relations committee. All we can do, it seems to me, as an External Affairs committee, is to recommend, or to recommend that we reject, or recommend the approval of this particular treaty. That is all.

The CHAIRMAN: That is all.

Hon. Mr. MITCHELL: The ratification of these conventions previously, has been a matter of form by the House of Commons. But now we have the matter referred to this committee. You never know what is going to happen when a matter is brought up in the House of Commons.

Mr. COLDWELL: I think it was referred to this committee to keep us out of mischief.

Hon. Mr. MITCHELL: No, no. We are a new House of Commons and, in view of the time factor, I thought that any discussion might better take place before this committee than before the House of Commons, particularly if you should go into details such as under the Canada Shipping Act, for instance. It would be far better to do that here.

Mr. BOUCHER: If someone is to go into details like that, it had better be by a committee other than the External Affairs committee.

Hon. Mr. MITCHELL: I do not think it is of great moment, myself. When I was looking over this committee this morning, I said I did not know of any better body of men to discuss the matter than this group here.

Several Hon. MEMBERS: Hear, hear!

Mr. BOUCHER: We appreciate your flattery.

Mr. COLDWELL: That was a very nice compliment coming from a Cabinet Minister, and we know how to appreciate it.

Mr. KNOWLES: It includes the lady present, too.

Mrs. STRUM: I would like to know just how far the thing we endorse here really is working out. I would like to know, if we are living up to the things we commit ourselves to in international agreement. I do not know whether we may investigate ourselves, or another committee should do it, but I would like to know whether we are actually, in practice, meeting our obligations.

Hon. Mr. MITCHELL: I have been assured that we are and I thought, therefore, that this morning you might hear from my officials on those aspects

of it, and at the next meeting from officials from the Department of Transport and the Department of Trade and Commerce on their aspects of it. I have been assured by both those departments that we have lived up to our agreements.

Mr. MACINNIS: I think we should be quite clear on the purpose of these conventions. They are to raise or to improve the standard of living and of safety at work in connection with those classes or work; and in order to do that, the I.L.O. adopted minimum standards, that is, a minimum that the delegates at the convention where these were adopted would agree to. Any country which adopts the conventions will agree, or it inferentially agrees, to adopt these conventions for this particular class of work. But it does not mean that we, as members of parliament, or that working class organizations, or employers' organizations, cannot press for improvements. There is nothing to be lost by approving the conventions. We may go beyond them, whereupon we will encourage other countries to adopt these minimum standards. Anyway, there is nothing to be lost or that can be lost by adopting the conventions.

Mr. JACQUES: Suppose other countries who agreed to these conventions did not live up to their obligations, is there anything we can do about it?

Hon. Mr. MITCHELL: I do not know. I think a nation is the master of its own destiny. I have often heard my honourable friend quote from other nations what they have done in other countries. One nation sets the standard and the other nations follow it. I have often heard my C.C.F. friends talk of New Zealand, and others talk about some other country. In the old days, they used to talk a lot about Russia. They do not talk so much about Russia today. It is a natural thing for one nation to establish standards. You get standards set up by the British people and other people follow them. That is elementary in the development of public opinion and legislation in any nation.

Mr. COLDWELL: A ship coming into a Canadian port would, perhaps, comply with these regulations?

Hon. Mr. MITCHELL: Absolutely, irrespective of where she came from.

Mr. JACQUES: My question was: suppose we lived up to our obligations in regard to them, but another country did not. Is there anything we can do about it?

The CHAIRMAN: I believe the minister stated that he wanted to retire fairly early. We have Mr. Stangroom with us, I believe.

Mr. FLEMING: That last question, I think, should be cleared up. Those standards are in the same position as any other international agreement or treaty. If one party breaks it, we have the same right as we have with respect to any other treaty. We can sever relations with that country or we can go to war with them. There is no forum for the imposition of penalties.

Mr. PICARD: It is not a treaty under which any party would lose something. As the minister said, any nation that entered into the agreement would fulfil its obligation. We would not lose anything according to that agreement if the nation failed to follow the agreement. It is not the same as the type of agreement whereby we might suffer considerably if one of the other nations failed to fulfil its obligations.

Mr. FLEMING: What rights arise in the event of a breach by one nation?

Mr. COLDWELL: This is for the protection of our own nationals?

Hon. Mr. MITCHELL: Absolutely!

Mr. COLDWELL: By providing them with certain minimum standards, in the hope that others will come up to them, or may improve on them.

Mr. McILRAITH: If other nations sign, do they intend to live up to their agreement?

Mr. BOUCHER: If a ship were to come into a Canadian port and it acted in a manner that did not comply with these conventions, it could be taken that we had the privilege, if we liked, to refuse them anchorage, or to refuse them service in a Canadian port, and we could expect the same thing to be done towards us.

Hon. Mr. MITCHELL: The regulations with respect to the loading and unloading of ships have to be complied with.

Mr. Low: Could not they be applied whether you had this international convention or not? How effective is this thing? Suppose we wanted to go ahead and set up our own regulations and to see that they were properly enforced?

Hon. Mr. MITCHELL: I would say this, Mr. Low: All right, if you want to live in a vacuum. You establish certain minimum standards under this convention, and then the convention is forwarded to the respective nations with the suggestion that they be adopted. Then the nations look these conventions over and use them as a basis for their own legislation. I could tell you of many nations, if I had the time, and of the immense amount of good that the I.L.O. have done for what we sometimes like to call backward nations, where they go to the I.L.O. for guidance in the establishment of old age pensions, unemployment insurance, and many other questions of a social character. At this very moment men are on their way from Canada, representatives to a meeting to be held in Copenhagen dealing with aspects of work of seamen on merchant ships. Mr. Randles, I think will represent the Department of Transport, and Mr. Foran and Mr. Sullivan from the trades and labour congress of Canada. The I.L.O., by the establishment of this convention, is the only international organization that I know of that can pass statistics on an international basis. All governments use their agency. I know that I do, and this government does.

Mr. COLDWELL: We are a confederation in Canada. A certain province adopts a general improvement. I know that in Mr. Low's own province, Alberta, there has been an improvement in education along certain organizational lines, and they have established certain standards in that respect. Other provinces follow that standard, because we are associated together. Here we are associated together in the I.L.O., and the fact that one nation adopts a certain standard is discussed by all and should prove helpful.

Mr. Low: There is just one thing that bothers me. If this organization, the I.L.O., has no power to enforce itself in any country, where any country becomes a signatory to one of these conventions and fails to live up to it, how much better is that than to have an administration which has an enlightened labour department such as we have in Canada, make a demonstration of certain regulations, in Canada, that might be of great value to the rest of the country? You would not refuse to sit down with them and to discuss matters. You would not refuse to co-operate with them and to help them to improve their standards. How different is this convention, as a demonstration, from the one I have just suggested to you?

Hon. Mr. MITCHELL: I would say this, Mr. Low: I do not know whether you have attended many of these international conventions?

Mr. Low: No, I have not.

Hon. Mr. MITCHELL: Well, I have, and I do not think there is any substitute for human contact. We cannot live in a vacuum. The world has to keep stimulated on the question of competition and all those things that enter into it. I think one of the greatest blessings that has been effected since the dawn of history is the raising of the standard of living through the establishment of this particular organization. I can speak about the South American Republics and the Central American Republics and China and the Balkan states and the

tremendous effect which the I.L.O. has had upon raising their standards of living.

Mr. Low: But we have only nine signatories?

Hon. Mr. MITCHELL: There are 68 conventions.

Mr. Low: But you have only nine nations now that have ratified these two?

Hon. Mr. MITCHELL: But I am talking about the maritime nations.

Mr. Low: That it a pretty small number.

Hon. Mr. MITCHELL: There is America, Great Britain, China, to a lesser degree, and Greece.

Mr. JAKES: Is the United States included?

Hon. Mr. MITCHELL: The United States is the greatest maritime nation in the world today.

Mr. JAKES: But she has not ratified this?

Mr. COLDWELL: She was never a part of the League of Nations.

Hon. Mr. MITCHELL: Until recently, when, in a comparative sense they have been members of the I.L.O., the attitude of the American government was that they should play no part in the I.L.O.

Mr. FRASER: You mean that the I.L.O. is really an educational unit trying to bring these other countries into this way of thinking? And when new devices come out for loading, it will be passed on to the other nations?

Hon. Mr. MITCHELL: I think it works universally, if I might put it that way. I think the greatest educator is to mix with the people from other nations and to talk over with them your respective problems. That's what I would do, if I had my way. I have always felt this way about the I.L.O. It is good for people to see how the other fellow lives and to see the problems with which he is confronted. It is a great education, and it is money well spent. I think to attend a session of the I.L.O. is better than a year's course in a university, having regard to the practical experience that these men get.

Mr. Low: I suggest that you have me go to one of these meetings.

Mr. FRASER: I will go along with you.

Mr. COLDWELL: And these suggestions work too.

Hon. Mr. MITCHELL: Yes, the suggestions work too. It is amazing. Take your own movement. You go to the organizations of the League of Nations for information. You may not agree with all the theories they put forward but I am sure that in developing your particular theory, you use the statistics put forward or set out, or made available by that particular arm of the League of Nations. People in every country of the world use the studies and suggestions that are put out by the International Labour Organization.

Mr. JAKES: I am not criticizing it, but would they do what the agreement and the statements say.

Hon. Mr. MITCHELL: They would improve immediate standards.

Mr. MARQUIS: Could it be taken for granted that wages or rates of wages are under the jurisdiction of the provinces? If you have suggestions as to wages in the different provinces of Canada, I think you should decide to have the same rate of wages for the same kind of work throughout Canada. It would be a good thing to have the convention ratified in order that every province may have the best standards.

Hon. Mr. MITCHELL: Quite so. I agree.

Mr. GRAYDON: Arising out of that, I have in mind asking my honourable friend: has this convention been carefully scrutinized as to the powers of the dominion in relation to provincial powers in Canada?

Hon. Mr. MITCHELL: Just as was indicated.

Mr. GRAYDON: There is nothing in this convention that will, in any way, interfere with the jurisdiction of the provinces because, as the minister well knows, the Privy Council's decision, at the time the legislation was brought before us in 1936 or 1937, established pretty clearly the delineation between provincial and federal jurisdiction at that time. I want to be sure that the provincial jurisdiction in no way is being overridden, because if it were, it might lead to some difficulties in the courts.

Hon. Mr. MITCHELL: My information, Mr. Graydon, is that there is absolutely no confusion as to jurisdiction.

Mr. COLDWELL: Is it proposed that after the honourable Mr. Mitchell goes, and after we hear the Labour department representative, we will hear a representative from the Department of Trade and Commerce?

Hon. Mr. MITCHELL: He will be here at the next meeting.

Mrs. STRUM: I am very anxious about the terms of the agreement on page 15, clause 2, under article (1) "the term worker means any person"? I submit to Mr. Mitchell that we are violating our own commitments here when we say, as appeared in the press last week, that married women will be the first people to be dismissed. We do not discriminate against men because they are married, nor do we control married or unmarried workers. We assume that the income tax will take care of excess earnings, yet in Canada we say that a woman who, because of a legal contract happens to be associated with a man, shall lose her right to employment. That is a violation of the fundamental rights of human beings and we as employers of labour in this House of Commons are violating the very principle of the thing we say that we believe in.

Hon. Mr. MITCHELL: I know nothing, Mrs. Strum, about that.

Mrs. STRUM: It is, in actual fact, being done.

Hon. Mr. MITCHELL: I have never seen any woman in this country working as a longshoreman, although I have seen them in other countries.

Mrs. STRUM: It does not matter about longshoremen.

Hon. Mr. MITCHELL: But we are talking about this particular convention.

Mrs. STRUM: What about our commitments at the San Francisco conference? We have just finished passing a charter in which we talk about equal rights for men and women while we, as employers in the field of labour—perhaps this is not longshoremen, but it is labour, and we are talking about international agreement and principles.

Mr. McILRAITH: What I am curious about is the question raised about women. Is there some order discriminating against them? I saw the newspaper stories.

Mrs. STRUM: I do not know about an order discriminating against them but I think, practically, they have always been the first people to be dismissed.

Mr. McILRAITH: I was not aware that there were any orders yet.

Mrs. STRUM: But it is being done in practice.

Mr. FRASER: In practice it is being done.

Mrs. STRUM: I should say, judging from my conversation with women who work here, that it is being done.

Mr. McILRAITH: I have not found anything concrete as yet to show it is being done.

Mrs. STRUM: Except the people who are being dismissed. It can be done without an order.

Mr. COLDWELL: As Mrs. Strum says, as signatories to the San Francisco charter we are obligated to make no distinction of sex at all.

Mr. McILRAITH: I was not aware that in fact it was being made.

The CHAIRMAN: I believe we may give the minister permission to go now.

Mr. MARQUIS: I think that women are included in this convention.

Mrs. STRUM: I hope it will apply in all kinds of employment, not only to longshoremen.

Hon. Mr. MITCHELL: I have visited countries where the women worked as bricklayers, section men, and as longshoremen.

Mr. FRASER: I have seen women working on winches on ships.

(The discussion took place at this point off the record.)

Mr. FLEMING: Apart from their representation at I.L.O., have the labour organizations of this country expressed specific views as to the adoption of these two conventions?

Hon. Mr. MITCHELL: The general position of the labour organizations of this country is in favour of the adoption of the conventions of the I.L.O. I do not know of any particular resolution on this.

Mr. MacINNIS: Then the conventions cannot adversely affect labour, and labour could not logically oppose them because there is nothing to prevent labour from advocating for still better conditions in countries where conditions may be lower than this one. Consequently it puts labour in a better position to make a claim for still better conditions.

Mr. FLEMING: I wonder if there have been any specific recommendations put before parliament?

Hon. Mr. MITCHELL: Speaking from memory I could not say.

Mr. KNOWLES: Have you discussed this matter with the Minister of Trade and Commerce and with the Department of Transport.

Hon. Mr. MITCHELL: It was discussed before. These resolutions were discussed by previous ministers. I think we have got something out of this meeting this morning. It will do some good. I mean that the members of the committee will have an understanding of what the international labour organization really means.

Mr. MacINNIS: Were you attending the committee meeting over on this side of the room?

Hon. Mr. MITCHELL: Surely. It is just as bad here as in the House of Commons.

The CHAIRMAN: We thank you, Mr. Minister, for coming here to-day.

Hon. Mr. MITCHELL: I thank you. Now I must get away because I am half an hour late already. I think it has done good to have this meeting this morning because it has given us an understanding of the ramifications of the good work done by the I.L.O. I see that the members of the committee have read something about the I.L.O., in view of the establishment of this committee and the reference to it of these two conventions for discussion. I want to thank you for the very kindly way you received me this morning. Now I have got to get along.

Mr. KNOWLES: For us it is unusual.

Hon. Mr. MITCHELL: I wouldn't say that.

The CHAIRMAN: Thank you very much, Mr. Mitchell.

Mr. MacINNIS: I wonder if we might hear from Mr. Stangroom, because he is conversant with these matters.

The CHAIRMAN: Yes. I will ask the speakers not to speak too quickly. I know something about shorthand reporting myself and sometimes it becomes quite difficult. We have a shortage of shorthand men and they have to sit in for the whole of the committee. I will now call upon Mr. Stangroom.

Mr. STANGROOM: On the subject of this convention, No. 32, I would like to give the committee some information.

International Labour Convention (No. 32) concerning the protection against accidents of workers employed in loading or unloading ships was adopted by the International Labour Conference at its 1932 session. It is a revision of a convention of 1929.

The Canada Shipping Act was revised in 1934 and was proclaimed in effect on August 1, 1936. Provision was made in it for the appointment of an inspector of ships' tackle and for the making of regulations to protect persons employed in loading or unloading ships. The act repealed the rather meagre provision that had previously been made for the protection of dockers.

On December 14, 1938, an order in council approved regulations for the protection of dockers along the lines required by the convention.

The regulations follow closely the British docks regulations of 1934. As a result, there was an inadvertent omission in the Canadian regulations of a clause requiring the regulations to be posted at the docks. The British regulations were made under the authority of the British Factories Act, which, itself, requires all regulations made under its authority to be kept posted in the workplace in such positions as to be conveniently read by the workpeople.

This omission was discovered in 1942 and brought to the attention of the Department of Transport. Accordingly, the regulations were amended by order in council of February 19, 1943 to stipulate that copies or summaries of the regulations must be posted at all docks.

The parliamentary history of the Canadian docks regulations is as follows:

In February, 1935, both houses of parliament passed a resolution purporting to approve the convention of 1932 preparatory to ratification. At that time the Canada Shipping Act, 1934, was not in effect and the necessary regulations had not been made. This order of procedure, however, (that is, approval by parliament of ratification before the enactment of legislation) was in line with the then prime minister's opinion as to the proper procedure in connection with the international labour conventions. However, through a clerical error, the unrevised convention of 1929 was attached to the resolution adopted by the house of parliament in 1935.

The Hon. Norman Rogers, Minister of Labour, took up the question of ratification again on March 30, 1939, after the regulations of December, 1938, had been approved. A notice of motion to approve the convention was drafted but the parliamentary session ended on June 3 and no action was taken.

It is important to know that while the convention had not been formally ratified by Canada, its provisions for the protection of men engaged in the loading or unloading of ships have been in effect and undoubtedly have proved of great value particularly during the war period.

The above convention, adopted at the 1938 session of the International Labour Conference, requires each country ratifying it to compile and publish regularly statistics as to wages and hours of work, and to furnish the data compiled to the International Labour office. The convention also requires the compilation of information concerning average earnings and the hours actually worked. The information relates to the principal mining and manufacturing industries, including building and construction, and to agriculture.

The convention makes certain stipulations as to the frequency of publication, concerning index numbers, and other matters.

No new legislation is necessary in Canada to give effect to this convention. The Statistics Act and the Labour Department Act authorize the Dominion Bureau of Statistics and the Department of Labour, respectively, to compile and publish statistics. The only question was as to the practice under these statutes.

The Dominion Bureau of Statistics compiles and publishes statistics concerning earnings and hours of work; statistics concerning rates of wages and also of hours of work are compiled and published by the Department of Labour. The International Labour office is furnished with data by both departments. Thus, the carrying out of the convention is a joint undertaking of the Dominion Bureau of Statistics, of the Department of Trade and Commerce and of the Department of Labour.

In a letter of February 24, 1943, signed by the late Dr. S. A. Cudmore, Dominion Statistician, the statement is made that, in his opinion, "the statistics of wages and hours of work collected by this bureau comply with the terms of convention No. 63".

I think Miss Mackintosh has followed the course of these conventions very closely. She was concerned with the drafting of most of the information available here.

The CHAIRMAN: Would Miss Mackintosh care to make a statement?

Miss MACKINTOSH: I might clear up a point brought up before the minister: that was, in connection with the procedure following ratification. While it is true, as the members have said, that Canada can regard these as minimum standards, and that any country can go beyond them, yet, with respect to these immediate standards, if the convention is ratified, we are bound. Naturally, the Treaty of Versailles, in setting up the League of Nations, of which the I.L.O. is a part, provided for countries that did not adhere to their obligations, and the procedure is set out in the constitution. For instance, in connection with the dockers' convention, if some country does not enforce those provisions after ratifying the convention, another country or the employers or workers in the country may complain to the I.L.O., and the treaty lays down the procedure that is to be followed. There is an investigation made and publicity is given to the complaint and to the country's reply to the complaint, as well as to the recommendations of the committee of inquiry. Then there is a committee which is headed by Sir Arnold McNair, Vice-Chancellor of Liverpool University, which examines into the annual reports required to be made by different countries under the constitution of the I.L.O. Canada, for instance, after ratifying these conventions, must submit a report a year from now, showing how these conventions are being enforced, and the committee inquires into the adequacy of the enforcement. For example, we have to make sure that there is an inspector of ships' tackle, and that he is enforcing the regulations. Any country coming under the conventions promises to give effect to them. But the point is whether they are satisfactorily enforced. On these points, as far as the dockers' convention is concerned, the Department of Transport would have the answer. The Minister of Labour accepts the report of the Minister of Transport that the six seamen's conventions that are already in effect are being adequately complied with and on that basis the Minister of Labour has submitted an annual report. The form of the report and the questions asked therein are laid down by the I.L.O. That report is submitted every year.

There is one point in connection with the worthwhileness—not during the interregnum, as it were, between the League of Nations and any new organization—but whether it is worth while for Canada to ratify. If for no other reason, it is not very pleasant for Canada to have the delegates who attend conferences find that Canada is away down the list along with Siam and a few other countries because she has not ratified. Another point is that the principal or fundamental purpose of the I.L.O. is to raise standards throughout the world to a decent level so that there will not be unfair competition between countries on the basis of labour standards. I think, as Canadians, we ought to know something about that, because we have had what some provinces

consider unfair competition on the basis of labour standards from other provinces, and this is about the same situation on an international scale. If you sell in the markets of the world against countries that have low labour standards, they are competing on the basis of inferior working conditions, that is disregarding in some measure the welfare of human beings.

As far as labour organizations are concerned, they are handicapped in discussing these conventions by the legislative jurisdictional position. In general, the labour organizations,—that is what the labour people call central bodies, have recommended, time and again, that conventions should be ratified by the Dominion so far as possible, and that there ought to be machinery devised for putting them into effect, when they come within the scope of the provinces. That is about all I can say, or all I can think of at the moment.

Mr. MACINNIS: With respect to the report made by the minister of Labour to the I.O.L. as to the carrying out of these conventions, is a copy of that report made available to the labour organizations or employers associations in Canada?

Miss MACKINTOSH: I am not quite sure that it is made available, but it can be made available. It is made to the I.L.O. and they refer it to this international committee, these reports are always summarized in an annual report of the Director of the International Labour Office. There is generally a supplement to his report. Report of the committee of experts on the application of the conventions under article 22 of the I.L.O. constitution. The report will say that this and this is being done. Again, I would emphasize that the form of the report is laid down by the International Labour Office. The subject of the reports on the application of the conventions is, at the moment, on the agenda of the Paris conference. This is the first time that the Governing Body has ever placed on the agenda of the conference the subject of the reports on the application of the conventions. The reason is that during the war there has been an almost inevitable—not quite a disregard of conventions—but they have not been adhered to as closely, perhaps, as they would have been in peace time and documents have not been available for the use of the committee. Sir Arnold McNair's committee has put it to the Governing Body that they are not going to do a poor job, so they wanted the subject to be on the agenda. They want the question of labour inspection discussed because any labour law is dependent on the adequacy of labour inspection. If you cannot have mine and factory inspectors, and inspectors of ships' tackle and boiler inspectors who are competent men, of course you cannot enforce your labour laws. So they are going into that subject for the first time.

Mr. MACINNIS: In many countries during the war these conventions could not be applied anyway. For instance, in Great Britain, because of the conditions under which ships were loaded and unloaded and the way the dock work was done.

Miss MACKINTOSH: I do not know whether you would call that an act of God or not.

Mr. MACINNIS: It certainly was not an act of God.

Mr. FRASER: Are there any inspectors of ships' tackle in Canada?

Miss MACKINTOSH: You would have to ask the Department of Transport about that. I believe one was appointed in 1938.

Mr. MACINNIS: There is one in each port, I think.

Mr. COLDWELL: That would be a question to ask the Department of Transport.

Miss MACKINTOSH: I do know that the accident rate among longshoremen has been very high, and I think it is quite safe to say that in relation to any form of industrial enterprise we are more reckless of life and limb than they

are in the older countries. Any one who reads legal decisions or regulations will know that on the other side they are not so regardless.

Mr. WINKLER: Have there been any complaints by Canada on the failure of other countries to carry out the I.L.O. conventions?

Miss MACKINTOSH: I do not think so. I do not think we would have dared.

Mr. COLDWELL: Have there been any complaints regarding our failure to carry them out?

Miss MACKINTOSH: There has been discussion about the position in connection with the three conventions ratified in 1935. Is that what you mean?

Mr. COLDWELL: Yes.

Miss MACKINTOSH: That is, of course, an anomalous position, because we are bound by the acts of ratification and of course we are not carrying them out. You know what the situation is. It is a matter through which Canada herself must find her way.

The CHAIRMAN: Miss Mackintosh, does the federal labour department communicate some recommendations to the I.L.O. at times, or do all the formulations come in from the bureau first?

Miss MACKINTOSH: The International Labour Office is required to notify every member state four months in advance of a conference of the subjects on the agenda of the conference. The Governing Body determines the subjects which are to go on the agenda, but the International Labour Office prepares the agenda. If the director of the office thinks that a subject which has been placed on the agenda should be analysed to the extent of finding out what the practice is—you cannot adopt any convention that is not in practice in some measure in some country—then a questionnaire is usually sent to the member countries. It is a printed document with certain questions concerning the matters that enter into the subject of proposed convention. In Canada, when the subject of a questionnaire is a matter for the provinces, those questionnaires are relayed by the federal department to the provincial governments who, on the basis of the questions asked, say whether they would be in favour of, for instance, a minimum age of 15 for employment, and so on. Then on the basis of replies from the provincial government, the Canadian delegate to the conference is instructed with respect to the conventions which are within their scope. The reports made by the various countries and the answers made to those questionnaires are published by the I.L.O. Sometimes they publish a report without a questionnaire and they may proceed by what is known as the double-discussion procedure. At the Paris conference there is the question about the welfare of young workers. This will be the first discussion on that subject. They will thresh out whether the subject should be dealt with by a convention or a recommendation, because it can be in either form. Then, at the next conference, the subject will come up for final discussion and incorporation in one form or the other. The Department of Labour at Ottawa receives frequent inquiries from the I.L.O. as to the practice or legislation in Canada about this or that. Nearly every report that the office gets out is based on such information but sometimes from information derived from public documents. I might say, too, that it works the other way. The Canadian Government is greatly indebted to the staff of the I.L.O. for the information that they make available.

The CHAIRMAN: From what you have stated, Miss Mackintosh, it can readily be seen that there is a good deal of liaison between the different provinces and the federal labour department and the I.L.O. There is quite a degree of co-operation?

Miss MACKINTOSH: Yes, in the furnishing of information.

Mr. MACINNIS: Miss Mackintosh has made a statement of which I think we should take note: when she stated that the regulations respecting safety of

workers were much better enforced in Europe than they are on this side of the Atlantic.

Miss MACKINTOSH: Europe is a big place.

Mr. MACINNIS: I thought we were away ahead until I read last winter a book by Dr. Alice Hamilton: "Dangerous Trades" which emphasized how far ahead the countries of Europe were over the United States and Canada in the matter of protection of workers in dangerous trades.

The CHAIRMAN: Was that due to war organization?

Mr. MACINNIS: It was due to government regard for the welfare of the workers.

Mr. COLDWELL: Yes, we are away behind.

Mr. FRASER: Isn't that partly on account of the fact that the workers here, in many cases refuse to use safety devices?

Mr. COLDWELL: I do not think so. In Europe standards are laid down by legislation.

Miss MACKINTOSH: When I say Europe, I do not mean every country of Europe. As a pioneer country, both Canada and the United States are generally more reckless of life and limb than they are in Europe. Perhaps there are two aspects of which I might speak, but these are rather personal opinions and I do not know whether everybody would subscribe to them.

The CHAIRMAN: I believe the committee would appreciate them.

Miss MACKINTOSH: Our inspection systems are not quite all that they might be, and that too arises naturally in a new country. As new industrial developments take place, you must have men with special training and qualifications in one department of engineering or another. In few of the Canadian provinces have we got such men doing inspection work. Some members of this committee are lawyers, so I might add that under the law and legal decisions in Canada, a court will hold, in an action for damages coming outside of the Workmen's Compensation Act, that if a workman removed a guard and put his hand in a dangerous place in the machine, there will be no damages. But such is not the case in Great Britain. There the courts will hold that the guard should not have been removable or removable when the machinery was in motion or that the workman was not properly instructed in the use of the machine, that the onus is on the factory occupier to see that the machines are kept guarded; that is a duty on the employer. Our Canadian cases in that respect are very different from the British cases.

Mr. MARQUIS: I think that in Canada to-day our courts are more severe than they were in the past in connection with minor accidents.

Miss MACKINTOSH: One reason for the few cases in Canada may be because of the system of workmen's compensation that we have in Canada.

Mr. MARQUIS: There has been an improvement in that respect in the decision of the courts.

Miss MACKINTOSH: I believe I am getting off my point.

The CHAIRMAN: That is fine. There are no objections arising from the members of the committee. Are there any other questions? Well, in the name of the committee, I think it is in order to thank Miss Mackintosh and also Mr. Stangroom for their presence here and for what they have given to the committee. We are very appreciative.

Mr. COLDWELL: Before we adjourn, since we are using this room a great deal, cannot we do something about these lights?

The CHAIRMAN: I mentioned that subject when I came in this morning first. The building authorities made some changes. They put in some smaller lights, but they were worse. Then they put back the same lights that they had before.

I said that we should have to do something fairly radical about them, which may be expensive too.

Mr. COLDWELL: Cannot we make a recommendation to ask the chairman to take it up definitely to see if some other lighting system cannot be installed. I find there is a terrific glare this morning though it may be due to the fact that some of us wear glasses.

Mr. FRASER: I asked the chairman last time about that, and if they cannot get shades for them, they can at least paint a black spot, the size of a nickel, on each of these lights. That would help a very great deal.

The CHAIRMAN: The Sergeant-at-Arms is co-operating with me, and he is doing all he possibly can with regard to finding a solution.

Mr. FRASER: Just turn the lights out.

The CHAIRMAN: A resolution from the committee would be in order so that we may have members of the Department of Transport and from the Department of Trade and Commerce with us for our next meeting.

Mr. KNOWLES: I so move.

The CHAIRMAN: Would the next meeting be satisfactory for Thursday, at 11.30 o'clock of this week? Would the members of the committee keep the copies of the resolution that they have now and which we are discussing because it is hard to get them. There is only a limited amount being printed. I would like the steering committee to meet again in my office on Friday at 11 o'clock for a few moments.

Mr. KNOWLES: Could you make it 10.30?

The CHAIRMAN: That would be quite satisfactory to me. 10.30 on Friday. We will send out notices. The resolution for adjournment is carried. Thank you.

The committee adjourned at 1 p.m. to meet again on Thursday, November 1, at 11.30 in the morning.

SESSION 1945

HOUSE OF COMMONS

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(STANDING COMMITTEE)

(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, NOVEMBER 1, 1945

WITNESSES:

Mr. H. Marshall, Acting Dominion Statistician, Department of Trade and Commerce.

Mr. F. A. Willsher, Chairman of Board of Steamship Inspection, Department of Transport.

OTTAWA

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1945

MINUTES OF PROCEEDINGS

THURSDAY, November 1, 1945.

Room 268

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Mrs. Strum, Messrs. Benidickson, Bradette, Fleming, Fraser, Graydon, Hackett, Isnor, Jackman, Jaques, Kidd, Knowles, Leger, Low, Macdonald (*Halifax*), MacInnis, Marquis, Sinclair (*Ontario*) and Winkler. (19).

In attendance: Mr. Eric Stangroom and Miss Margaret Mackintosh of the Department of Labour.

On behalf of the Committee, the Chairman expressed his thanks to the Sergeant At Arms and to the Clerk of the Committee for the change and the improvement of the lighting fixtures.

The Chairman read a telegram from Mrs. Viola MacMillan, president of the Prospectors and Developers Association of Canada suggesting the advisability of the Extradition Treaty between Canada and the United States of America being referred to the Committee thus affording the Association opportunity to be invited to make representations.

Mr. H. Marshall, Acting Dominion Statistician was called. He made a statement relative to parts 1, 2 and 4 of Department of Trade and Commerce Convention No. 63 dealing with statistics on wages and hours of work. He was examined thereon.

The witness agreed to send forward a further written statement on payroll statistics and man hours, etc., along with thirty-six copies of a questionnaire sent to employers and referred to in his examination.

In reply to Mr. Fraser, the witness quoted from Report No. 26 being a supplement of the *Labour Gazette* of June, 1945, respecting rates per hour affecting longshoremen.

Availing himself of the presence of Mr. Marshall, Mr. Graydon paid a high tribute to the late Dr. S. A. Cudmore, Dominion Statistician.

Mr. Marshall was retired.

Mr. F. A. Willsher, Chairman of the Board of Steamship Inspection, Department of Transport was called.

He made a statement with respect to Article 17 of Convention No. 32 pertaining to safety measures of loading and unloading ships. He referred to regulations for the protection against accidents and was examined thereon. He was also questioned on the duties, salaries and qualifications of inspectors of ships' tackles.

The witness agreed to submit copies of a sample inspection report for October, 1938, as filed, as well as past qualifications asked for the post of inspector of ships' tackles.

Mr. Willsher was retired.

Mr. MacInnis suggested that the Steering Committee prepare a recommendation respecting the Conventions referred to the Committee.

The Committee adjourned at 1 o'clock until Tuesday, November 6, at 11.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 1, 1945.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: I now call the meeting to order. I must thank the members for coming early. It means a lot to committee work when it is possible to start on time. I believe that you realize that Colonel Franklin has done a good job in changing the lights here. I must thank him in the name of the committee for the changes he has made and I would note that our secretary has been very active too in that regard. Now I believe that every member of the committee has received the wire that I have in my hands?

Mr. FRASER: Not guilty.

The CHAIRMAN: Well then, will it be possible to have copies made of this wire?

The SECRETARY OF THE COMMITTEE: It will be incorporated in the evidence if read.

The CHAIRMAN: Then, I shall read the wire to the members of the committee.

Mr. JACKMAN: Whom is it signed by?

The CHAIRMAN: It is signed by "Prospectors and Developers Association of Canada, Mrs. Viola R. MacMillan, President." And the wire reads as follows: "For your information we have sent the following wire to members of the cabinet, leaders of the opposition and other members of parliament. We strongly urge that the resolution to approve the extradition treaty between Canada and the United States of America and protocol thereto being tabled in the house be referred to the External Affairs committee so that we may have an opportunity of making representations and presenting brief in opposition. The treaty and protocol in our opinion affects the rights of every citizen of Canada and makes him subservient to the laws and regulations of a foreign country for alleged offences which do not constitute offences under Canadian laws a new departure in extradition treaties so drastic that it affects our sovereign rights. Public opinion across Canada as evidenced by the many editorial comments appearing most recently in the Canadian press point out that the treaty and protocol are objectionable, create a dangerous precedent and represent a wide and alarming departure from the well defined and time-tested principles of extradition treaties and procedure. The practical effect of passing the treaty and protocol as now set forth would in our opinion stop most of the securities business between Canada and the United States including sale and purchase of bonds. The mining industry of Canada is particularly and principally affected. Our association is composed of prospectors, developers, mine operators and business executives across Canada who are alarmed at the serious blow that would be dealt to this most important industry so vital to Canada and the employment of our returned soldiers. We are wiring your fellow members of the Canadian ministry and others likewise." I believe that we may wait until the next meeting, when the members of this committee shall have received copies of that wire, before a decision can be made. As we know, the order of reference will have to come from the government. Tomorrow morning there

will be a meeting of the steering committee at my office at 10.30, so we may again discuss that question. I believe that is all there is before the committee at the moment.

Now we have the pleasure to have with us this morning Mr. H. Marshall, acting Dominion Statistician, Bureau of Statistics, Department of Trade and Commerce, who is going to discuss convention No. 63, which you have before you at the moment. He is going to discuss parts 1, 2 and 4, and he will give the reasons why he is leaving out section 3. I will ask Mr. Marshall to come forward.

Mr. MARSHALL: Mr. Chairman, Mrs. Strum and gentlemen: With regard to this convention, I may say that it covers statistics four divisions. Three of them affect the Bureau of Statistics, but part 3 does not affect the Bureau. That is to say, it does not affect the Bureau directly, because the statistics of time, rates of wages and normal hours of work are collected in the Department of Labour, and there is a co-operative arrangement between the Bureau of Statistics and the Department of Labour whereby we use them. As to the other three sections of the convention, the Dominion Bureau of Statistics does collect statistics relating to them. I am glad to say that, in so far as this convention is concerned, the Dominion Bureau of Statistics already collects practically all of the statistics which are called for in these three parts. There are some minor matters which are mentioned which we do not collect. For example, they request a classification in which the statistics are divided into male and female, and adult and juvenile. We do classify them by sex, but we do not classify our monthly or annual statistics by adult and juvenile. On the other hand, in our decennial census, where we collect statistics of earnings, there is a classification to that effect. So I think I may say in regard to this convention, that there is very little in it which is not already covered by the activities of the Dominion Bureau of Statistics and, of course, all the statistics which we collect in this field are available to the I.L.O. and have been furnished to them.

Mr. FRASER: Would it be much trouble to let the members of this committee have a copy of your statistics dealing with this convention, or would that take up too much space?

Mr. MARSHALL: We have monthly reports and annual reports in which are set forth the statistics which we collect.

Mr. FRASER: I think if you could file them just before dealing with these three or four sections it might help this committee.

Mr. MARSHALL: I shall be very glad to do that.

Mr. FRASER: Mr. Marshall mentioned that this did not cover female labour?

Mr. MARSHALL: We do have, every six months, in our monthly inquiries concerning pay, wages, and man hours—we do have a breakdown by sex. But the convention also asks for a suggested breakdown in article 10 on page 26: "Once every three years and where possible at shorter intervals the statistics of average earnings, and, so far as practicable, the statistics of hours actually worked shall be supplemented by separate figures for each sex and for adults and juveniles; provided that it shall not be necessary to compile these separate figures in the case of industries in which all but an insignificant number of the wage earners belong to the same sex or age group, or to compile the separate figures of hours actually worked for males and females, or for adults and juveniles, in the case of industries in which the normal hours of work do not vary by sex or age." We have a distribution by sex, but we do not divide our monthly or annual statistics into adults and juveniles. We do have in our decennial census a breakdown of earnings by age groups.

Mr. FRASER: Could you give us that in the statement?

Mr. MARSHALL: Yes, I could do that.

Mr. JACKMAN: Are we confining our discussion to wages of stevedores or to all workers?

Mr. MARSHALL: Manufacturers, mining, and construction are mentioned specifically. Of course our inquiries cover a much broader field than that. Our monthly report concerns not only manufacturing and mining, but services and distribution. So we have more than is required by this convention.

Mr. LEGER: This convention deals with matters only pertaining to dock workers?

The CHAIRMAN: Mining and manufacturing, I believe.

Mr. FRASER: On page 25.

Mr. MACINNIS: No. 63.

Mr. FRASER: In your statement that you present, could you give us a separate statement in respect to part 2 regarding mining and manufacturing?

Mr. MARSHALL: Yes.

Mr. FRASER: I think it should be entirely separate from the other.

Mr. MACINNIS: May I ask Mr. Marshall a question? In compiling those statistics with regard to wages and average earnings for an industry, what wages and earnings are included in those statistics? What I would like to know is: are the salaries or wages of executives included here as well as those of labourers and other lower paid workers?

Mr. MARSHALL: We separate the salaries from the wages in our census division covering manufacturing.

Mr. MACINNIS: May I put my question another way: in the monthly report that the Bureau of Statistics brings out with regard to employment, wages, and earnings, where the average earning is, say, \$30 or \$32 a week, would that mean just the wages in that particular industry? That is, in a staff, that part of the staff that works for wages, or does that average earning include also the earnings of executives?

Mr. MARSHALL: It is not supposed to include the earnings of executives, but it does include overtime, bonuses and anything of that nature which the wage earner may receive.

Mr. FRASER: The class as you put it down would be for certain types of work? Would you put down machinists that way?

Mr. MARSHALL: No, we do not do it that way. Those are covered by the statistics which the Department of Labour collect. They relate to the wage rates of specific occupations.

Mr. FRASER: You would not classify them, say, those in the ordinary class and those in the foreman class?

Mr. MARSHALL: We do not do that. Ours is a payroll classification.

Mr. FRASER: Even if they were labourers, they would be included?

Mr. MARSHALL: Yes.

Mr. MACINNIS: What would be included in the payroll, say, of a shoe manufacturing company? It is listed as having so many employees. Does that number of employees indicate only those who are working at manual work or at machine labour in the factory, or does it also include the office staff?

Mr. MARSHALL: Yes, it does include office staff.

Mr. MACINNIS: Well, then, if it includes office staff, are there any of the office staff who are executives?

Mr. MARSHALL: It would not include executives or higher salaried people. But if you take a payroll now, in a factory, you will have some office staff who would be included in it. We do not break down by particular occupations, so we have got to take the payroll as a whole.

Mr. MACINNIS: What I want to know exactly is if you take the payroll as a whole is the general manager on the payroll? Is that true?

Mr. MARSHALL: He would be on the payroll of the firm, yes, but not on the factory payroll.

Mr. MACINNIS: But is he on the payroll of that manufacturing industry?

Mr. MARSHALL: If you would like to have a statement of exactly what we include in our monthly compilations, I can get that and present it along with this statement.

Mr. FRASER: I would like to ask Mr. Marshall another question. You said that the office worker is included in that. Do you bring your calculations down to hours of work?

Mr. MARSHALL: There are two phases to our monthly inquiries. We have a statement of man hours of work, and in addition, a statement of the total payroll and the total employees covered. There are a lot of firms who have not sufficient information to break down their information into man hours. So our coverage there is not so large as the other. But we have a bulletin which we publish each month stating the number of employees, the total wages paid, the man hours worked, so that we can work it out per hours.

Mr. FRASER: In the plants, a man working in the plants or a man doing labouring work, is likely to be on an hourly basis; but the office worker in that same plant, his hours might be from eight to five. But there might be, during the month, a time when that office worker would have to go to work at seven and work until six and perhaps go back at night and work an extra three hours for which he is not paid?

Mr. MARSHALL: In the statement on man hours, the monthly bulletin of man hours, we certainly would not include office workers who did not work on an hourly basis. There are a lot of manufacturing firms that have information concerning the number of hours worked by their employees, and they can give that easily. There are a sufficient number of them to enable us to have a very good index of what the hourly rate is. So, in that phase of our inquiries, we certainly would not include office workers who are paid on an hourly basis. I will furnish you with an exact statement showing what we do include in both the indexes.

Mr. FRASER: And showing as well the difference between the salaried ones and the hourly workers?

Mr. MARSHALL: Yes, I will do that.

Mr. HACKETT: What is the line of demarcation between the remunerations received that you take into consideration in making up your statement and the servants of the company whose remuneration is not taken into consideration?

Mr. MARSHALL: Well, in so far as man hours are concerned, it gives us an index of what people receive by the hour. When you send out a questionnaire to a firm, you cannot expect too much. It would not be reasonable, would it, to ask the firm to break down the salaries into exactly what they pay their people per hour. What we try to do is to get an index of the rate that the employees receive per hour or per week. That has to be based on the records,

on the system that is in vogue in the manufacturing industry. Therefore, we have to exclude from that compilation salaries, and those who are paid on a salary basis.

Mr. MACINNIS: In your monthly bulletin "Wages and Employment"—I am not just quite sure, but you have it there—I think you are concerned, in that bulletin, since you give statistics there on hourly rates, if I remember correctly. Then you are only concerned with average and per capita weekly earnings?

Mr. MARSHALL: That is right.

Mr. MACINNIS: Well, I noticed in the last one that while the average for industry dropped since the previous one and the average number of employees also dropped, that the average weekly wage had increased. I wondered how that had happened. I cannot come to any other conclusion but that lower paid workers have been laid off while higher paid workers, many of whom are among the executives, are still included in the average weekly rate?

Mr. MARSHALL: I can say in answer to that: that our bulletin on Employment and Payroll has a much wider coverage than the one on man hours. In the former I think the employees numbered some 1,800,000. In the bulletin on man hours, the employees included numbered less than 1,000,000. That is quite a considerable difference. I would like to mention this fact too: that this man hour study is one that we commenced not so very long ago. But it is our purpose, in the Bureau, as soon as we can do so, to integrate these two reports, the data of both of these reports, and to try to show just exactly why these differences occur. We have not reached that stage yet, because this is a fairly new project. But it will not be very long before we try to integrate, analyze, and interpret the results of these two. Then we shall be able to put out a statement of reconciliation. I think one reason for the difference is because of the coverage. But that may not be the only reason. Your point may be pertinent there. There may be some salaried people in this. It is pretty difficult to be able to tell from all the returns that we get, when you consider that we are covering so many firms. There may be some executives that we do not know about. I shall try to clarify this point in my written statement.

Mr. MACINNIS: Will you let me see that for a moment?

Mr. FRASER: What bulletin do you call that, Mr. Marshall?

Mr. MARSHALL: That is our monthly bulletin on employment. It is based on the number of employees in weekly payrolls. That is one bulletin. This other bulletin here is called, "Statistics, Manhours and Hourly Earnings".

The CHAIRMAN: Are those included in the *Labour Gazette*?

Mr. MARSHALL: There is some data from them published in the *Labour Gazette*.

Mr. MACINNIS: When a manufacturing firm sends in at your request the number of its employees, that number of employees would include, normally, workers in the office as well as those working in the plant?

Mr. MARSHALL: Yes.

Mr. MACINNIS: That is the point I want to make: it includes in its number those who work in the office as well as those who work in the plant. That number would not be correct unless it included all the workers in the office from the general manager down?

Mr. MARSHALL: No. The card that we send out, of course, does ask for a breakdown of salaried employees and wage earners. So we are safeguarded against the point that you raise.

Mr. FRASER: The questionnaire is separate then?

Mr. MARSHALL: No, it is on the same questionnaire. It goes out to the firm and is filled in by them. And on it we ask for the salaried employees separately from the wage earners.

The CHAIRMAN: That is what you stated at the beginning.

Mr. MACINNIS: You ask for the total number of employees?

Mr. MARSHALL: Yes. The questionnaire reads: "state present number on your payroll including salaried employees as well as wage earners." We separate the salaried employees from the wage earners.

Mr. MACINNIS: Then, do you ask for the aggregate payroll?

Mr. MARSHALL: Yes, we do. When we want to get, or make an index number of what is paid in wages, we take out the wages from the salaries. So we have a provision against that.

Mr. MACINNIS: Would not both be included in the aggregate payroll?

Mr. MARSHALL: That is a point I will have to clear up. It will come out in my statement.

Mr. FRASER: Could I see a copy of that questionnaire?

Mr. MARSHALL: Yes.

Mr. FRASER: Thank you.

Mr. MARSHALL: In this bulletin here there is no question that this does relate to the wages: that is to say, the bulletin on man hours and hourly earnings, because it has to be broken down by hours.

Mr. GRAYDON: This separates them definitely, in here. There is no trouble at all in dividing them off according to that questionnaire.

Mr. MARSHALL: We have the information.

Mr. FRASER: Could a copy of that questionnaire be filed?

Mr. MARSHALL: Yes, certainly. I can make out a statement as you suggested, and accompany it by that.

Mr. FRASER: It might be of interest to the members.

Mr. MARSHALL: And in this statement I will include a paragraph in which we shall describe the method by which the figures are compiled; that is, for both our employment and payrolls bulletin and our man hours and hourly earnings bulletin. This will show how we deal with salaries and wages respectively.

Mr. MARQUIS: Would it be possible to send that statement to every member of the committee?

Mr. MARSHALL: Yes.

Mr. JACKMAN: I wonder if Mr. Marshall could tell us what the object of the Bureau is in compiling these statistics. Do they endeavour to include, let us say, a foreman's wages? Supposing a foreman earned \$2,500 a year, and a superintendent on a payroll got \$3,000. Would the foreman's wages be included and not the superintendent's wages? What is the principle on which the Bureau of Statistics operates in that respect?

Mr. MARSHALL: In our census on industry we send out annual questionnaires; and in that bulletin the salaried people are separate from the wage earners.

Mr. JACKMAN: The superintendent would be a salaried man?

Mr. MARSHALL: Yes.

Mr. JACKMAN: And the foreman?

Mr. MARSHALL: Well, if he is paid a wage, he would be among the wage earners; but if he were paid a salary, he would be reported under salaries.

Mr. JACKMAN: Is there not some rule as to what are salaries and what are wages?

Mr. MARSHALL: No. It is left to the firm to do the dividing. We just separate the salaried men from the wage earners. We do not specify the various occupations which should be put under salaries and which should be put under wage earners. If a man is paid a salary, he is included in the salaried class. We do not try to break it down in the various jobs.

Mr. MARQUIS: You take the report as is?

The CHAIRMAN: But the payroll might be loaded with high salaried men passing as wage earners. There would be practically no way for your department to check it unless it be through the National Revenue department. That would be the only direct way. That is a fear of labour all the time, that the average payroll is loaded up with high salaried officers or executives.

Mr. MARSHALL: We get our information from our employment statistics, we take it out of these monthly reports, and we also get information from the census of industry. And every couple of years we send out a special questionnaire to business, in which they break down the wages they pay in the various wage groups. Salaries are kept separate. So, you see, we have a way of checking up between the results of these various inquiries. I think that the check up indicates, pretty clearly, that the results are fairly consistent throughout.

Mr. FRASER: Your statement would show that the foreman's salary or wage is not included in that, under wage. They are separate in your monthly reports?

Mr. MARSHALL: In the annual inquiry, if the firm has paid a wage, it would be among the wage earners; but if the firm paid a salary, it would be included among the salaries.

Mr. FRASER: Many of the foremen are paid hourly wages, and they would be included. What would the dock workers average wage be?

Mr. MARSHALL: On the other hand, we do get a statement every couple of years in which we have the wages received broken down into wage groups, so that you will know how many people are in the high wage group and how many are in the low wage group.

Mr. FRASER: You say every two years or so. Is that close enough to give us the necessary information for this purpose here?

Mr. MARSHALL: Yes, I would think so; we have that information along with the information which we get on our monthly reports on both man hours and payrolls. I think that is quite adequate to meet these needs here. On the other hand, I have no doubt there are some things which the I.L.O. would still like to get, and it may be that our statistics do not meet all their requirements. But I do think that our statistics meet them about 90 per cent.

Mr. FRASER: It says here: every six or twelve months, in article 1 on page 26.

Mr. MARSHALL: That is a matter of publication, is it not?

Mr. FRASER: Yes.

Mr. MARQUIS: Would Mr. Marshall tell us if there are many offices or firms which refuse, or neglect to answer the questionnaires? What proportion of them would do that?

Mr. MARSHALL: Well, we have had difficulty with some firms, but, of course, we have power under the Statistics Act to get the statistics, and eventually we do get them.

Mr. MARQUIS: Do you try to enforce that power in order to get the statistics?

Mr. MARSHALL: We try to obtain results by every other means than resorting to the courts; but we have had to do that in some cases. We have had some prosecutions, but not very many.

Mr. GRAYDON: You do not apply sanctions unless you have to?

Mr. MARSHALL: That is right.

The CHAIRMAN: Are there any other questions to be asked of Mr. Marshall? Does the committee desire that the statement which Mr. Marshall promised us should be in writing or delivered orally at the next meeting? Which would be more convenient for you?

Mr. FRASER: I think it should be in writing. I think it would be better to have it in writing.

The CHAIRMAN: You would prefer to have it in writing?

Mr. FRASER: I would like to ask Mr. Marshall another question in regard to dock workers and so on. How do you classify them in order to get their wages? The wages, perhaps, on the Atlantic coast would be entirely different from what they would be, say, at an inland port?

Mr. MARSHALL: It would vary. We do not make that sort of inquiry. It is made in the Department of Labour, and they do get actual wage rates and hours of labour for specific occupations. I have no doubt that they would have them for dock labourers, but I do not know. As to specific wage rates for various occupations, that information is collected in the Department of Labour. I had a talk with Dr. Peebles over the telephone yesterday, about that. He had read this convention carefully, and he said that they had practically all the information that was asked for here.

Mr. FRASER: In the Labour department?

Mr. MARSHALL: Yes, covering part 3 of this convention.

Mr. FRASER: I know for a fact that there is a variation between ocean ports and inland ports.

Mr. MARSHALL: They get the information. They sample it from all over the Dominion.

Mr. FRASER: That is why, a few years ago, there was a dock strike on the Pacific in the United States. There was a dock strike on the Pacific coast because they wanted their wages raised equal to those on the Atlantic.

Mr. MARSHALL: I believe the Department of Labour has much information on that, but I could not state positively, whether they have it on dock labourers, without first looking up their publication.

Mr. FRASER: Could we ask you to get this for us through the Department of Labour?

Mr. MARSHALL: Yes. Mr. Stangroom has just given me the publication of the Department of Labour, for June, 1945. On page 79 of this publication it shows the rate per hour for stevedores.

Mr. FRASER: Do they vary?

Mr. MARSHALL: Yes, they do. There is a range from 86 cents in Quebec, per hour, to \$1.10 in Vancouver.

Mr. FRASER: Would it be possible to have that filed?

The CHAIRMAN: It would be in your statement, Mr. Marshall?

Mr. FRASER: If it is not too much trouble.

Mr. ISNOR: You gave us the rates for Vancouver and Quebec. What about the rates at Halifax and Saint John?

Mr. MARSHALL: Halifax is 95 cents; Saint John is 98 cents; Quebec is 86 cents; Montreal, 95 cents; Vancouver and Shipdock, \$1.10; Victoria, \$1.06; Port Alberni, \$1.00; and Prince Rupert is 99 cents.

The CHAIRMAN: That would be in the report.

Mr. KNOWLES: May I ask Mr. Marshall a question relating to articles 7 and 8 on page 26. I am interested, first of all, in the fact that the articles relate to the reference made by the I.L.O. on family allowances as far back as 1938. But the question I wish to ask is this: are these items, such as the other items referred to in article 7, and the family allowances referred to in article 8, listed in your statistics separately from wages?

Mr. MARSHALL: Nothing, of course, has been done as yet about family allowances. That is something we will have to take into consideration for the future because it is a new thing. With regard to the other items, they are included. For example, I have got here a questionnaire which is sent out by our industrial census. This is the instruction given to the firm: "the statistics of payrolls should include production bonuses, and so, as well as salaries and wages and commissions." They include actual money wages paid, all bonuses, the value of room and board provided, as well as any other allowances forming part of the employees wages, so we do include that.

Mr. KNOWLES: Perhaps I am thinking out loud here, but I was wondering if it would not be a good idea to keep it separate in your statistical report. Let there be a column showing the total value of income to a worker. But should there not be a separation between the cash income and income in kind? That question would relate to what you are going to do when you start showing family allowances, for example. The point will become very pertinent then, and it might be argued that these allowances under article 7, free or cheap housing, are, nevertheless, paid by an industry and might very properly be included as part of the wages earned from industry. But if you carry that principle over into family allowances, you find yourself giving industry credit for what the government is paying.

Mr. MARSHALL: As far as family allowances are concerned, they would have to be a separate item altogether.

Mr. MACINNIS: They could not be included there, because the employer would not have any knowledge of them.

Mr. KNOWLES: Are you sure?

Mr. MARSHALL: Well, firms would not have the necessary information to enable them to include such data in our questionnaires.

Mr. KNOWLES: After all, statistics are used in very many places as a basis for ideas. I would not want suggestions that would help these allowances to depress wages; such things as cheap housing and free fuel and so on. It seems to me that there is a responsibility resting on your Bureau in that connection.

Mr. MARSHALL: The only reason why we do not ask for a breakdown like that is that our questionnaires are fairly long and it would involve that much more work for a firm to answer the questionnaires, if we asked for details like that. Therefore we just ask for a lump sum. That is to say, we ask for the total payment which the industry makes to the employee. But as to family allowances, that is a different question. There is another aspect to this situation. We are making a great effort in the Bureau of Statistics to improve our statistics on national income. In our study on national income we will be having more breakdowns of the kind you mention. We would want to show sources of income, and among them would be, of course, payments in kind. As a matter of fact, in our agricultural statistics, we do get information which distinguishes

between the agricultural labourer who is paid a wage only, and the agricultural worker who gets his board. So we have, in the agricultural field, some information differentiating along the lines you mention. I think, in our studies of national income, we will be making more detailed breakdowns. That would give you the kind of information you want. But it is important not to make our questionnaires any longer than we can help. If you ask for a lot of details, then it becomes all the harder to get them.

Mr. SINCLAIR (*Ontario*): Haven't we gone rather far afield? This is almost a meeting of the Labour committee this morning. Here we have two conventions before us in this booklet. At the last meeting we discussed the convention on page 14, and today we are to discuss the one on page 23. This information we are getting is very valuable but, as a lawyer, I cannot see that it has any bearing on external affairs at all. I think we should limit our discussion to external affairs and not to internal affairs except insofar as they affect external relations.

The CHAIRMAN: The point is well taken in a way. But in a discussion of this kind it is very hard to keep within the orbit of the thing itself.

Mr. SINCLAIR (*Ontario*): But there are two separate conventions. The one on page 14 relates to stevedores and so on, while the one on page 23 has to do with wages.

The CHAIRMAN: Mr. Marshall really wanted to speak on the convention on page 63. But I believe the discussion has been quite instructive. It is very hard to limit the subject matter.

Mr. SINCLAIR (*Ontario*): Yes, but is it the purpose for which parliament appointed this committee? I do not think so.

Mr. KNOWLES: I think that the honourable member is perfectly right in his objection. This is not our baby. But the baby is growing up with us and we might as well deal with it.

Mr. SINCLAIR (*Ontario*): We will have to live for a long time if we ever get to the end of it.

Mrs. STRUM: Isn't this valuable in that it shows how the decisions of the international body work out in application to internal situations?

The CHAIRMAN: There is no doubt about it.

Mrs. STRUM: Does not this show the value of these international conferences? Do we not have to make sure that they really apply within our own borders?

The CHAIRMAN: Personally, while I believe that some of the questions might have been incidental, they have been very helpful, too. If we hold the line very closely as to our inquiries, we shall be limited in most of our resolutions. There is no doubt about that.

Mr. GRAYDON: That problem arises out of the fact that most of the committee realize that this subject that we are discussing here more properly might be dealt with by the Industrial Relations committee. On the other hand, there is an external affairs point of view with respect to it and I presume that we shall have to work in between those two codes as best we can. But I am impressed with what Mr. Sinclair said: that we, perhaps, should not go too far afield and that we should just cover the subject that we have under discussion.

The CHAIRMAN: When we deal with suggestions, we have a very, very wide field.

Mr. KNOWLES: The other day, Mr. Chairman, when we questioned Mr. Mitchell about the other convention, he was able to say to us that Canada was not only living up to, but in most cases exceeding, the minimum required under

that convention. Now, I believe I understood from Mr. Marshall today that 90 per cent was the figure that he gave us; and that, at the present time, we are not fully living up to this convention.

Mr. MARSHALL: I would say that it is well above 90 per cent. I would say that 90 per cent is a low figure. There are certain items that I mentioned before: we do not break down this information monthly or annually by adults or juveniles, but it seems to me that is not terribly important.

Mr. KNOWLES: Well, if Canada does adopt this convention, then in order to live up to our commitments there will have to be more changes or improvements in the type of work done by your department?

Mr. MARSHALL: Yes, we would certainly do that. It may be that the information we have in our decennial census, where earnings are broken down by wage groups, might be adequate to satisfy the needs of the I.L.O.

Mr. MACINNIS: Are there not two implied commitments in this convention, one effecting industry itself, and the other, with which Mr. Marshall is concerned, affecting the information we give to the I.L.O.? While the information we give to the I.L.O. is important, the really important thing is the convention itself, and the reason for adopting the convention is the effect on the workers in the industry in question. And if we live up, 100 per cent to the provisions of the convention on this protection of workers in industry, then, if we fall down by 10 per cent on statistics, surely that is unimportant.

Mr. FLEMING: I think that Mr. Marshall sees no difficulty in providing the additional requirements under this convention.

Mr. MARSHALL: I think we can satisfy them entirely. We have, as a matter of fact, far more information than they are asking for here. There are one or two items for which we do not have the information at present. We can arrange our work to fill in these gaps.

The CHAIRMAN: Are there any more questions to be asked of Mr. Marshall? We have with us this morning Mr. S. A. Willsher, who is Chairman of the Board of Steamship Inspection, in the Department of Transport.

Mr. GRAYDON: Before Mr. Marshall goes, may I take the liberty at the moment of saying a word which ordinarily might be regarded as having nothing to do with the affairs of the committee or the subject under discussion. But Mr. Marshall's presence here today as acting Chief Dominion Statistician is, I think, as far as the members of this committee are concerned, the occasion for our exercising a privilege which would not be afforded to the House of Commons itself, namely, to pay a tribute to the man who for some years was Chief Dominion Statistician, Dr. S. A. Cudmore. I do not apologize to the committee for rising at this time, because I think some tribute should be paid to Dr. Cudmore by our elected representatives who from time to time have benefited by the work that he has done. I know something of his early life and the success which he attained. His life really reads more like an Horatio Alger success story than that of almost any public servant or member of parliament.

In 1888, Sedley Cudmore came out from Ireland. His parents, I rather think, had died prior to that time. He took passage for Canada and arrived in my town in that year. He took lodgings at a place on Queen street where twenty-two years afterwards I, while at high school myself, roomed and boarded. His example was many times held up to me as indicating what industry really means in a young man's life. He worked as a printer's devil in the old Brampton *Times*. When he started out he had little or no education, but in the meantime he went through Brampton High School, where he continuously stood at the top of his class. He took the Prince of Wales' or the Governor General's scholarship, I am not sure which, but it was the highest scholastic standing ever attained in that school. He went to university on a scholarship, but he still kept

on working doing odd jobs. He stood first in every class and every examination at Toronto University, and when he graduated he carried away two prizes which enabled him to go back overseas—not this time to his native Ireland, but to Oxford University. He went through Oxford University with the same scholastic success. Then he came back to Toronto University as a professor, and finally was appointed Chief Dominion Statistician. He ended his days in harness at the food and agricultural conference in Quebec city a few days ago.

Dr. Cudmore was a man of brilliance, a man with a very great heart. His was an example which I hope will not be lost on Canadians generally, in that he started with very limited opportunities and reached the top. It is, I think, a pretty good indication of the opportunities that have existed and still exist in the Dominion of Canada for those who are industrious and have the capacity to take advantage of them.

I wanted to take this opportunity of paying a tribute to the late Dr. Cudmore because he was a valuable public servant and a man who left a great heritage to us and to all Canada.

THE CHAIRMAN: Mr. Willsher will deal with convention No. 32 on page 14.

MR. F. A. WILLSHER, Chairman, Board of Steamship Inspection, Department of Transport: Mr. Chairman, Mrs. Strum and gentlemen, I see that article 17 of the convention reads as follows:

In order to ensure the due enforcement of any regulations prescribed for the protection of the workers against accidents,

(1) The regulations shall clearly define the persons or bodies who are to be responsible for compliance with the respective regulations;

(2) Provision shall be made for an efficient system of inspection and for penalties for breaches of the regulations;

(3) Copies or summaries of the regulations shall be posted up in prominent positions at docks, wharves, quays and similar places which are in frequent use for the processes.

There were issued on December 14, 1938, by order in council: "Regulations for the protection against accident of workers employed in loading or unloading ships," under the provisions of section 467 of the Canada Shipping Act. These regulations were made under the guidance of my predecessor and are, to the best of my knowledge, in full compliance with the requirements of the convention. These regulations have been in operation since 1938 and are provided for under section 467 of the Canada Shipping Act. Inspectors of ships' tackle are appointed at various ports throughout the dominion: one at Port Alberni, one at Vancouver, one at Montreal, one at Charlottetown, one at Halifax and one at Saint John.

MR. MACINNIS: Is that the total number of inspectors appointed at all these places?

MR. WILLSHER: At the moment, yes, sir.

MR. MACINNIS: Who takes care of inspection at the ports of Victoria, Prince Rupert and New Westminster in British Columbia?

MR. WILLSHER: That is provided by the Vancouver office.

MR. FRASER: Would one man be able to cover all that coast?

MR. WILLSHER: It is being submitted to me that I consider the appointment of additional inspectors of ships' tackle on the west coast. That is going to be attended to this autumn.

MR. FRASER: It sounds to me as though there should be extra help.

MR. WILLSHER: One of our difficulties has been to get the men.

MR. FRASER: To get competent men?

Mr. WILLISHER: To get men.

Mr. FRASER: It seems to me that this is a job for which men should be well qualified.

Mr. WILLISHER: The salary is \$1,260 minimum and \$1,440 maximum.

Mr. FRASER: That is not enough.

Mr. KNOWLES: The difficulty is to get a man.

Mr. FRASER: If the income tax is taken off that amount you do not have much left.

Mr. WILLISHER: One of these men gets \$2 a day when he operates—at Charlottetown—and the one at Port Alberni is paid at the rate of \$10 per month.

Mr. KNOWLES: Who establishes those rates?

Mr. WILLISHER: I could not answer that.

Mr. FRASER: Would that be done by the Civil Service Commission?

Mr. WILLISHER: You can draw your own conclusions.

Mr. GRAYDON: Could it be any other body who would do it?

Mr. MACINNIS: These appointments would be made under the Department of Transport, would they not?

Mr. WILLISHER: Yes, if it is an old appointment, 1936; but that one to which I am referring is only for certain periods of the year.

Mr. KNOWLES: The suggestion is that we make proper payment.

Mr. WILLISHER: As a matter of fact I submitted in June a statement for the chief of personnel, and I asked for \$2,700. My concluding paragraph reads:—

The work has assumed greater proportions since the creation of this position, and the responsibilities have considerably increased. The present salary is inadequate and, in my opinion, unless it is doubled, there is little use advertising the position.

Mr. FRASER: Do men working on the coast and in other places get their expenses?

Mr. WILLISHER: When they travel, yes.

Mr. FRASER: Only when they travel?

Mr. WILLISHER: Yes.

Mr. FRASER: What expenses do you allow them? Is there a set figure for those expenses?

Mr. WILLISHER: For travel?

Mr. FRASER: Yes.

Mr. WILLISHER: Railway fare, room and board, and sundries.

Mr. Low: So much per diem?

Mr. WILLISHER: No.

Mr. Low: It is not a set amount?

Mr. WILLISHER: No.

Mr. GRAYDON: They get just their actual out-of-pocket expenses?

Mr. WILLISHER: Yes. That is the only fair way, I think.

Mr. MACINNIS: Would the Department of Transport have any statistics concerning the number of accidents and their nature in the stevedoring business?

Mr. WILLISHER: Well, it could be ascertained by reviewing all the reports of the inspectors, but as a matter of ready access, no.

Mr. FRASER: I know you will say no to this. You do not feel that a man getting that salary can do a really good job?

Mr. WILLISHER: You do not get your man at that salary.

Mr. FRASER: That is what I am saying. You cannot get the man you should have for that money?

Mr. WILLISHER: No. That is about the salary of a grade II stenographer, I understand.

Mr. FRASER: Oh yes. A man who does a job like that should certainly be a man with a knowledge of what is required and a man who can understand this convention.

Mr. WILLISHER: Certainly.

Mr. FRASER: You will not get a good man for \$1,200 or \$1,400.

Mr. WILLISHER: No, I am afraid we cannot.

Mr. ISNOR: Is this part-time employment?

Mr. WILLISHER: No, this is full-time employment at \$1,250 to \$1,440. The inspector at Vancouver is employed for twelve months of the year.

Mr. MARQUIS: When the job is a part-time job, what is the salary?

Mr. WILLISHER: This inspector at Port Alberni gets \$10 per month.

Mr. MARQUIS: How much?

Mr. WILLISHER: \$10 per month, and the inspector at Charlottetown is paid at the rate of \$2 per day when he is employed.

Mr. MACINNIS: Do you know who the inspectors are at these points?

Mr. WILLISHER: Yes. I can give that information to you.

Mr. KNOWLES: Are they human beings?

Mr. MACINNIS: What I want to ask is this: Are they doing any other work in the employ of the government?

Mr. WILLISHER: Not in the employ of the government, as far as I know—these two,—Port Alberni and Charlottetown.

Mr. ISNOR: Will you let us have their names?

Mr. Low: What training is given these people before they start their actual inspection work?

Mr. WILLISHER: No training. They answer an advertisement, are examined and are put into the position.

Mr. Low: What are the requirements?

Mr. WILLISHER: These are the qualifications I am asking for, and I want the inspector to get \$2,700: "primary school education; at least three years as stevedore or shipyard rigger, in capacity as charge-hand or foreman; knowledge of ships' cargo-handling gear; knowledge of ship construction and arrangement, in so far as relates to cargo stowage and cargo-handling gear; some mechanical knowledge relating to construction of winches, and make of blocks and tackle; ability to determine safeworking loads by calculation; ability to interpret regulations for the protection against accident of workers employed in loading or unloading ships; ability to prepare comprehensive reports on accidents and prevailing cargo-handling gear operations; sufficient knowledge of the English and French languages to be able to perform efficiently the duties involved; good judgment; integrity; firmness."

Mr. MACINNIS: Have you got the qualifications used in the advertisement where we are getting a man for \$10 a month?

Mr. WILLISHER: I can furnish that information.

Mr. MACINNIS: On the basis of the inspection that you have indicated do you say that we are living up to the articles in the convention dealing with that inspection?

Mr. WILLISHER: In as far as it is humanly possible for these men to operate with the amount of tonnage coming into the ports at such places as Vancouver—this I know personally—and Saint John and Halifax, I say yes; these are qualified men.

Mr. MACINNIS: Yes, but does the quality of the inspection, may I say, meet with the requirements of the convention?

Mr. WILLISHER: Yes, as far as an inspector can operate.

Mr. MACINNIS: What do you mean by that?

Mr. WILLISHER: If there is a large tonnage coming into a port a man can do only a certain amount of work in a certain number of hours.

Mr. MACINNIS: Yes, but the convention has in mind all the tonnage coming into a port, and if you have not got adequate inspection for all the tonnage then we are not living up to the regulations of the convention.

Mr. WILLISHER: That is one of the wrongs I am going to try to rectify by getting more inspectors with a higher wage or salary.

Mr. FRASER: Do you know what they pay winchmen on the Vancouver boats?

Mr. WILLISHER: I could not answer that.

Mr. FRASER: With the qualifications you have for an inspector with a salary of \$2,700, perhaps you could get a good man with those qualifications for that amount; but I understand that these winchmen receive nearly \$5 an hour.

Mr. WILLISHER: I know they get very much in excess of our inspectors.

Mr. FRASER: They do. So you will have a very difficult time getting a man who should know what these men should know to handle and inspect the different equipment on the ships and on the docks.

Mr. WILLISHER: No, I have an idea that if I am going to get what I ask, \$2,700, I will get the inspector all right.

Mr. FRASER: That is a fixed salary for him, and he might like to have it because the boats are not coming in all the time.

Mr. WILLISHER: No.

Mr. FRASER: But you will never get a good man for \$1,400.

Mr. MACDONALD (*Halifax*): Generally, what are the duties of an inspector at the different ports?

Mr. WILLISHER: To inspect the tackle and gear used in loading and unloading ships and to ensure that the provisions of the regulations are complied with to such an extent as may be necessary for the protection of those employed in their operations. If it is a gangway they would have a fence to keep persons from falling over the side—I refer to the handrails; if there is any defective gear which they can see they may stop the operations until the gear is made good.

Mr. ISNOR: You were going to give Mr. MacInnis the names.

Mr. MACINNIS: I am not questioning them.

Mr. ISNOR: I would like to know the names.

Mr. WILLISHER: The inspector at Port Alberni is Captain J. Stewart. He is 67 years of age, and he was appointed in 1936.

Mr. MACINNIS: Was that his age at the time of his appointment?

Mr. WILLISHER: That is his age now, I believe. At Vancouver we have Captain A. S. Kerr, who is 58 years of age and he was appointed in 1933. At Montreal, owing to the death of the late Mr. Duval, there is a vacancy, and because of this \$1,200 minimum we have not appointed anyone to replace him

yet. At Charlottetown we have Mr. L. Gormley, who is 46 years of age and he was appointed in 1936. At Halifax we have Mr. B. Orton, who is 47 years of age and he was appointed in 1940. At Saint John there is Mr. R. McK. Finlay, who is 48 years of age and he was appointed in 1940. It might interest the committee to know that only yesterday I was authorized to get a good man, discuss salary and submit it for approval for full-time employment in the meantime, to relieve the situation until the authorities can issue the advertisements and see what men are available.

Mr. Low: Is that for Montreal?

Mr. WILLSSHER: Yes.

Mr. MARQUIS: There is no one in Quebec.

Mr. WILLSSHER: Not in Quebec city.

Mr. MARQUIS: Who is making the inspection there?

Mr. WILLSSHER: There is no inspection being made in Quebec city.

Mr. MARQUIS: Does nobody make it?

Mr. WILLSSHER: No.

Mr. JAKES: To what extent would these inspectors be responsible?

Mr. WILLSSHER: Well, according to a jury, in Vancouver they held Captain Kerr responsible for the death of one of the workmen because of a fracture of some of the gear, and I always have that picture in front of me when I think of a \$1,260 salary.

Mr. KNOWLES: When we pass this convention we will have to go to town with regard to the salaries and spruce up the whole inspection service.

Mr. WILLSSHER: As chief of the steamship inspection service I have been operating during the war with about 65 per cent pre-war personnel.

The CHAIRMAN: There seems to be some suggestion here that men working for this salary or these wages were doing work of a perfunctory character. Now, if these men are responsible where human lives are concerned then, from the start, the remuneration should have been much higher. There is a lot here that has not been explained or elucidated to me yet. I cannot see how men would work in such a responsible position for such wages or salary.

Mr. KNOWLES: I wonder if we could have on the record the lowest and highest salaries of these men whose names have been given.

Mr. WILLSSHER: These men now have attained their maximum salary—that is, the full-time men—of \$1,440.

Mr. KNOWLES: Some of them are getting that?

Mr. WILLSSHER: Yes. I did not bring these particulars, but it is safe to assume that they are all getting that amount.

Mr. Low: Are they on superannuation?

Mr. WILLSSHER: They will be.

Mr. Low: You said one man was getting \$10.

Mr. WILLSSHER: That is part-time work.

The CHAIRMAN: There must be some way of protecting these men. There must be some safeguard even before a ship comes in. There must be some machinery on foot either through the shipping organization or somebody else, otherwise there would be no necessity for giving \$5 or \$10.

Mr. JACKMAN: May I ask whether the men who are loading the ships, whether stevedores or ships' crews—

Mr. WILLSSHER: Stevedores.

Mr. JACKMAN: —will come under the Workmen's Compensation Act in case of accident?

Mr. WILLISHER: Yes.

Mr. JACKMAN: If there is an accident let us say because of defects in the hand-rail, would not the ship itself be liable if the workman chose to sue the shipping company rather than obtain his benefit under the Workmen's Compensation Act?

Mr. WILLISHER: The owners are liable always.

Mr. JACKMAN: In other words, they do, in order to protect themselves, insure all the safety devices that are possible, but the Department of Transport has the additional duty of having a man there to check and to make sure that the safety devices are all right and that the gear is in good condition. May I ask what these inspectors do? Do they go down to meet the ship when it comes in to start unloading; is that the theory?

Mr. WILLISHER: Yes, that is the theory.

Mr. FRASER: Is it not true, following Mr. Jackman's question, that the ships might have all the gear necessary to cover this convention but that the stevedores when they come along might not put up that equipment?

Mr. ISNOR: The longshoremen's association are very particular for their own protection.

Mr. FRASER: But in many cases they are not, and the ship's crew do not put that up.

Mr. ISNOR: I think Mr. Willsher will agree that the longshoremen have a very important function to perform themselves in safeguarding their own interests.

Mr. WILLISHER: Such as checking the scaffolding and the staging which the stevedores put up themselves.

Mr. FRASER: Yes, I know, but it is not always done according to the way it should be done.

Mr. WILLISHER: Oh, no.

Mr. FRASER: That is why the inspector should be on the job to see that it is done.

Mr. WILLISHER: We have difficulty in enforcing these regulations because the owners object to the time involved and the cost also.

Mr. FRASER: I say that in answer to Mr. Isnor's question, because I know that one ship was held up for a day and a half so that the equipment could be put in place. The inspector held everything up and would not allow the ship to unload anything until the equipment was put in place. That was not in Canada, that was in the United States.

Mr. JACKMAN: Have these inspectors power to prevent unloading until the recommendations are complied with?

Mr. WILLISHER: Yes, they have power under the Canada Shipping Act.

Mr. MACDONALD (*Halifax*): I think the longshoremen's union take a great deal of pain to look after the interests of their own members and are very watchful in the large ports. They work with the inspectors.

Mr. WILLISHER: Then we have to contend with the views of the chief stevedore who has a contract to carry out the work.

The CHAIRMAN: There must be some other kind of inspectorship to ensure that these men would have accepted the position at all.

Mr. WILLISHER: There is steamship inspection, but not under these regulations.

Mr. JACKMAN: Who inspects the inspectors? Is that your function?

Mr. WILLISHER: Yes.

Mr. JACKMAN: Do you ask for written reports on every ship that comes in?

Mr. WILLSHER: Yes, I have a sample of a report with me.

Mr. JACKMAN: The report is supposed to cover every ship that comes into the port?

Mr. WILLSHER: Yes, he has to enumerate all the names of the ships inspected.

Mr. JACKMAN: Take Vancouver.

Mr. WILLSHER: In the month of October there were 38.

Mr. JACKMAN: Thirty-eight ships inspected; and this man receives for that how much money?

Mr. WILLSHER: I gave the maximum, \$1,440.

Mr. KNOWLES: Does this man hire a stenographer to do that work?

Mr. WILLSHER: No, we are gracious enough to pay for the stenographer.

Mr. MARQUIS: Does he make his report on a form?

Mr. WILLSHER: This is one of them.

Mr. MACINNIS: Could that report be filed as an appendix to today's proceedings?

Mr. WILLSHER: If you do not mind accepting the date which is 1938. I brought it purposely in case you might require it.

Mr. FRASER: Would not the number of inspections be greater during the war years?

Mr. WILLSHER: Yes, and the work was harder because the ships came in at any hour. There was a disregard for time and men also, and the gear was not given the attention it should have been given. One should feel very gratified that there were not more accidents than there were. There is a system of recording inspections. We have all the registers of certificates that are signed in one port or another as the ship inspected at various ports in the world and necessarily the inspector in Vancouver would not have to inspect the section of this gear that had been previously inspected, say, at Montreal, if the report so showed.

Mr. MACDONALD (*Halifax*): There is one question I would like to ask. If we adopt this convention does that mean that we have to provide inspectors at the smaller ports as well as at the national ports?

Mr. WILLSHER: Well, as long as the service is made available at the smaller ports when the work is there; I think that would be an answer to your question. For instance, it would not be necessary to have a man stationed permanently at Three Rivers or at some of the smaller ports on the gulf.

Mr. MARQUIS: But an inspection should be made?

Mr. WILLSHER: The inspection could be made from Montreal or Quebec, where I hope to have inspectors appointed in due time.

Mr. JACKMAN: As regards ages, I see one man was 67, and I suppose these are positions that could well be filled by retired captains and mates?

Mr. WILLSHER: If they are not too old. When some captains retire they are not so energetic as they used to be. You have to be an energetic man to be an inspector of ship's tackle.

Mr. JACKMAN: Does the inspector have to do any physical work?

Mr. WILLSHER: He may have to climb the rigging to carry out his work properly.

Mr. Low: How long does it usually require for the inspection of an ordinary cargo vessel?

Mr. WILLISHER: Well, with the system that is in operation now with a certain amount of work inspected at outports and accepted for a certain period, a man might go through the job in a forenoon, and he might not. Of course, there is a lot of interference. When a cargo is being discharged the inspectors are not going to expose themselves underneath the derricks and run risks.

Mr. MACINNIS: An inspector does not have to climb the rigging to see if it is safe.

Mr. WILLISHER: No, the rigging is not under his inspection, but there are some weak links that are hard to observe, and it is these weak links that usually break.

The CHAIRMAN: I think to have this report published would be rather expensive; could we not have it put in as an exhibit?

Mr. MACINNIS: I am not asking to have any more reading matter.

The CHAIRMAN: We will have it put in as an exhibit; otherwise it might take at least a week to print it.

Mr. ISNOR: Do most of these inspectors come from the ranks of stevedores or longshoremen?

Mr. WILLISHER: We cannot always entice such men to take these positions.

Mr. ISNOR: I was going to point out that the average earnings of longshoremen in Halifax for a 40-hour week over 52 weeks would amount to over \$2,000—\$1,976 exactly, and you pay only \$1,440 as a maximum. A man would be losing \$536 on the job.

Mr. MACINNIS: Longshoremen would not be working eight hours a day for 52 weeks.

Mr. WILLISHER: As a matter of fact, some of the inspectors do come from those ranks. Mr. Findlay of Saint John came from the ranks—of stevedores.

Mr. FRASER: I wonder if we could have Mr. Willsher back again before the committee. He was going to speak to us on steamboat inspection too.

Mr. WILLISHER: No.

Mr. FRASER: I thought that was what the chairman said.

Mr. WILLISHER: I would be delighted to, but I do not want to take up too much of your time.

Mr. KNOWLES: That does not come under this convention. Mr. Chairman, it seems to me that the information given to us this morning by Mr. Willsher puts us in this position, that we might recommend back to the House the adoption of this convention but with the recommendation that steps be taken to make sure that we implement the convention in full. What are our powers to make a recommendation involving the expenditure of money, I do not know; but certainly we cannot recommend a convention without making some comment as a committee.

Mr. MARQUIS: If we recommend the convention they will be obliged to act according to the convention and to pay reasonable salaries to the men and the inspectors. If we do not have inspectors we cannot apply the convention at all. So a recommendation to adopt the convention, it seems to me, would ask the government to fulfil the obligations according to the convention.

Mr. FRASER: I think Mr. Knowles has a good suggestion.

The CHAIRMAN: That has been before the committee all the time. We realize that we have the power to make recommendations, but it does not mean they will be implemented. I believe it would be a good thing to have them in our report.

Mr. KNOWLES: The impression was created by what the minister said the other day that we are already living up to these standards and that this is a perfunctory matter; we have to draw attention to the fact that we are not living up to them.

The CHAIRMAN: We will deal with that at our steering committee meeting. We should have the power. I draw your attention to the bottom of the list of protocols and to page 27, with regard to statistics of time rates of wages, etc. But we have Mr. Sinclair's point of order before us as to whether we are able to deal with it.

Mr. LEGER: Mr. Willsher told us a little while ago that he had recommended that these men should in the future be paid \$2,700. Has he any indication whether his recommendation is going to be accepted or not?

Mr. WILLSSHER: No, I am only authorized to see whether I can get a man who will fill this position in Montreal. If I can get him at \$2,700 I believe I will get the authority to appoint him, pending action by the Civil Service Commission on my memorandum. Allowing for advertising the position about twelve months will expire before an appointment is made. It usually requires from nine to twelve months from the time the vacancy occurs until the position is filled.

The CHAIRMAN: You do not set the salary of \$1,440 to get the man?

Mr. WILLSSHER: No. The man does not get \$1,440. According to the advertisement he gets \$1,260, the minimum.

Mr. MACINNIS: I suggest that the steering committee draft a resolution which we can consider for the adoption of the conventions.

The CHAIRMAN: I am sure the committee wish to thank Mr. Willsher for his very informative remarks. We should get Dr. Alan Peebles of the Department of Labour to deal with No. 3 of the protocols. Is that satisfactory to you, Mr. Sinclair?

Mr. SINCLAIR (Ontario): I always bow to the will of the majority.

The committee adjourned to meet again on Tuesday, November 6.

SESSION 1945
(HOUSE OF COMMONS)

CA1 XC11
E91
(STANDING COMMITTEE

(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, NOVEMBER 6, 1945

WITNESSES:

- Mr. David Vaage, Chief of the Safety Section of the International Labour Office, Montreal, Quebec.
Dr. Allon Peebles, Director of the Research and Statistics Branch of the Department of Labour.
Mr. A. Cohen, Chief of the manufactures statistics, Dominion Bureau of Statistics, Department of Trade and Commerce.

MINUTES OF PROCEEDINGS

TUESDAY, November 6, 1945.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Benidickson, Blanchette, Boucher, Bradette, Fleming, Fraser, Jackman, Jaques, Knowles, Leger, Low, MacInnis, McIlraith, Mutch, Picard, Sinclair (Ontario), and Winkler.—(17).

In attendance: Messrs. R. M. Cram and L. MacKinnon, respectively supervisor of General Labour Statistics and Wages Statistics of the Department of Labour.

Miss M. E. K. Roughsedge and Mr. A. Cohen, respectively chiefs of employment and manufactures statistics, Dominion Bureau of Statistics, Department of Trade and Commerce, and Mr. A. H. Le Neveu, of the Demography Division.

The Clerk tabled information requested at the previous meeting, being:

I. A memorandum of Mr. Marshall, acting Dominion Statistician, concerning the statistics necessary to meet the requirements of draft Convention No. 63 of the International Labour Office. This memorandum was accompanied with the following documents and publications as published by the Dominion Bureau of Statistics, submitted as examples under the direction of Miss M. E. K. Roughsedge.

1. Monthly Questionnaire, E.S. Ia and E. S. Ib.
2. Bulletin entitled "The Employment Situation" at the beginning of August 1945, together with payrolls for the last week of July.
3. Statistics of Man-Hours and Hourly Earnings as at August 1 with comparisons as at July 1 and June 1, 1945.
4. Annual Review of Employment and Payrolls in Canada, 1944.
5. Annual Questionnaire of the Census of Industry.
6. Weekly Wage Schedule (used at intervals of two or three years).
7. Annual Report on the Manufacturing Industries of Canada, 1943.
8. Weekly Earnings and Hours of Work of Male and Female Wage-Earners employed in the Manufacturing Industries of Canada, 1943.
9. Weekly Earnings of Wage-Earners employed in the Manufacturing Industries of Canada, 1940.
10. Questionnaires used by the Agricultural Statistics Branch at January 15, May 15 and August 15 of each year.
11. Farm Wages in Canada.
12. Statistics of Earnings of Wage-Earners as revealed by the Decennial Census.
13. Bulletin E-1, Earnings and Employment, data obtained in the 1941 Census.
14. Bulletin, E-2, Earnings and Wage-Earners by occupation, data obtained in the 1941 Census.

II. Copies for distribution of Report No. 26, a supplement of the Labour Gazette of June 1945 on wage rates and hours of labour in Canada.

All above mentioned documents were distributed forthwith.

Mr. Marshall's memorandum was ordered printed as an appendix (*See appendix A to this day's evidence*).

Sample reports on mining operations and on various goods, prepared by the Dominion Bureau of Statistics, were also tabled for the information of the members of the Committee.

Mr. Willsher, Chairman of the Steamship Inspection Branch of the Department of Transport forwarded, as agreed,

1. A sample ship inspector's report.
2. A copy of an advertisement relative to the position of inspector of ships' tackles.

The inspector's report was distributed and the advertisement was ordered printed as an appendix (*See appendix B to this day's evidence*).

Mr. David Vaage, Chief of the Safety Section of the International Labour Office of Montreal, Quebec, was called.

He made a statement on the establishment and the accomplishments of the International Labour Office and was questioned thereon. He tabled copies of

1. A publication entitled "Industrial Safety Survey" (English and French).
2. International Labour Review (English and French).
3. A publication entitled "The Safe Installation and Use of abrasive wheels".

The witness quoted from a proposed handbook intended for the use of ships' inspectors.

Mr. Vaage was retired.

Dr. Allon Peebles was called and examined on matters relevant to Part III of Convention No. 63. The witness was retired.

Mr. A. Cohen, chief of manufacturing statistics, Dominion Bureau of Statistics, was called and answered a question relative to comparison of wages. He retired.

On motion of Mr. Blanchette, a statement from Mr. Robert Woodbury, Chief Statistician of the International Labour Office was ordered printed as an appendix (*See appendix C to this day's evidence*).

A discussion followed on the proposed report and further business of the Committee.

The Chairman invited the Steering Committee to a meeting to be held in his office on Wednesday, November 7, at 10.30 a.m.

The Committee adjourned at 1 o'clock until Thursday, November 8, at 11.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 6, 1945.

The Standing Committee on External Affairs met this day at 11.30 a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Gentlemen, let us come to order. First, we have a document tabled for distribution to the members of the Standing Committee. We requested one from the Department of Labour. We have also a memorandum presented by Mr. Marshall of the Bureau of Statistics of the Department of Trade and Commerce, and another from Mr. Willsher of the Steamship Inspection Branch, Department of Transport. I believe it will be the consensus of opinion of the members that some of these documents should be printed in the report of this meeting.

(Memorandum of Mr. Marshall, Bureau of Statistics, appear as appendix "A".)

I take it that it will meet with the approval of the committee to have read into the record the "Civil Service advertisement for an Examination" pertaining to the position of inspector, of the Board of Inspection Bureau. This is supplied by Mr. Willsher. Probably it will not be necessary to read this into the record. With the committee's approval we will have it printed in our report.

("Civil Service advertisement" appears as Appendix "B".)

We have the good fortune this morning to have as our first witness Mr. David Vaage, Chief of the Safety Section of the International Labour Office, Montreal. I understand that he drove to Ottawa this morning and I hope that he did not have to break any of our laws in getting to the capital. Also we have with us this morning Dr. Allon Peebles of the Department of Labour, Ottawa. I shall call upon these two gentlemen to make a brief statement on their official and departmental activities and then they will be available for questioning. Probably it will be better to take one witness and finish with him before we proceed with the next. I shall now call on Mr. Vaage.

Mr. David VAAGE, Chief of the Safety Section, International Labour Office, Montreal, called:

The WITNESS: Mr. Chairman and members of the committee, the Labour Office in Montreal received your invitation to send somebody up here to give evidence before the committee, and we were honoured to accept that invitation; and it is in compliance with that invitation I am here today. Now, I have no prepared statement to make on either of the two conventions which are before this committee, but, perhaps, I might be allowed to make a brief statement about the International Labour Organization. As you all know the permanent secretariat of the International Labour Office was in Geneva, Switzerland, but since 1940 it has been in Montreal. The organization was set up under the peace treaties concluded after the first great war. It had its seat in Geneva, in the same place as the League of Nations, and was attached more or less to the League in so far as it collaborated with the League in social and economic problems, especially problems dealing with labour. Together with the High

Court of International Justice at The Hague, Holland, its budget was included more or less in the League budget. It was a separate part of the League budget, a particular budget, and the use of the money spent on the budget was subject to control by the control committee of the League, which was a control committee common to the three organizations: the League itself, the International Labour Organization, and the permanent High Court of Justice.

The International Labour Organization consists of an annual conference which is more or less the parliament of labour. There is, as I said, the International Labour Office which has its permanent secretariat, and that office is under the direction of a Governing Body. The Governing Body consists of thirty-two members, sixteen being Government representatives, eight employers' representatives, and eight workers' representatives. You may have seen in the press that the International Labour Conference has been sitting at its twenty-seventh session in Paris. The conference closed yesterday and elected a new Governing Body. That is the first real election that has been held since 1939. The members of the governing body now are the following governments: Australia, Brazil, Chile, Egypt, Mexico, Peru, Poland and Sweden. Those members have no permanent seats, they are elected. In addition to them there are the eight most important industrial countries, namely, Belgium, Canada, China, France, India, the Netherlands, the United Kingdom and the United States, which have permanent government seats on the Governing Body of the International Labour Office. These eight countries which I named last, and among which you will find Canada, are permanent government members of the Governing Body.

Now, the eight employers' members who were elected at Paris are as follows: India, South Africa, Denmark, China, Mexico, France, the United Kingdom and the United States. The eight workers' members are: Sweden, Canada, China, the United Kingdom, France, Australia, Mexico and the United States.

The Governing Body directs the work of the office, through the director, assistant directors and the staff and fixes the agenda of the International Labour Conference. When a subject has been placed by the Governing Body on the agenda of the Conference, the first step is that the International Labour Office works out what is usually called the Grey Report. That gives a survey of the law and practice on each particular item placed by the Governing Body on the agenda for the coming session of the Conference. The Conference usually, but not always, deals with these matters in two sessions. It is what we call the double discussion procedure. That is to say, that on the basis of the Grey Report placed before the Conference by the Office the Conference discusses the matters in a preliminary fashion. Attached to the Grey Report in that case is a draft questionnaire which the Conference in the first reading can add to or subtract from or modify as it likes; the questionnaire as adopted by the Conference is then sent out to the governments, that is, the governments are advised on such important questions as the conference in discussing the first part has decided upon. The governments have to reply within a certain time limit, and on the basis of those replies the Office again gets busy and works out what is called a Blue Report. The Blue Report is the report for the second discussion of the questions, and that report is based on the replies received from the governments to the questionnaire that the first Conference adopted.

Now, it will depend, of course, on the consultation by the governments and on the opinion expressed by the majority of them whether the Conference will adopt a draft convention or a recommendation, a draft convention being a document which is intended to be submitted to the Member States for ratification; and if the Conference decides to adopt a draft convention it then goes on on the basis of the Blue Report and of the replies submitted by the governments, and

puts into that convention such regulations as it thinks might win the approval of the majority of the governments. If on the basis of the replies from the governments there is little likelihood of a draft convention being possible, the Conference will be satisfied with adopting a recommendation, which is not subject to ratification, but which is, of course, submitted to the Member States of the Office. They are supposed to act on it as they like without any binding obligations.

Now, you have before you two of these Conventions: Nos. 32 and 63. No. 32 concerning the protection of dockers—was adopted in 1932, and this is a revised text—and No. 63 was adopted in 1938. I have no prepared statement to make on either of these two conventions, because I did not know when I was ordered to proceed to Ottawa what the committee would like to know exactly. I shall be glad, however, when I have finished with my statement on the I.L.O., to reply to any questions which you gentlemen might like to ask, but more particularly on the first of these two conventions for which I am more or less directly responsible.

The Conventions adopted by the Conference must be submitted by the International Labour Office to the governments of the Member States within a certain period, and within a normal period of not more than one year after having received them the governments are bound to lay these conventions before the legislative power of their respective countries with certain propositions. They may propose that a Convention be ratified, that it be not ratified for the time being, or that it be not ratified at all. It would depend on the situation, whether the legislation on a particular subject in that particular country is up to the standard laid down in the Convention or not; because, before a state or a country may ratify any of these Conventions, it is supposed to bring its legislation on the subject in conformity with the provisions in that particular Convention. It may take some time before that can be done. It may take some time also before a government can set up the necessary machinery to carry out the matters provided for in the Convention.

In the case of recommendations, as I said before, they are not subject to ratification; they must, however, also be submitted to the proper authorities, and the member states are supposed to use them as a basis for any amplification or any amelioration of their legislation on the points covered by the recommendation.

I may perhaps add a few words on the International Labour Office itself. I have told you about the functions of the Governing body, about the functions of the Conference. The permanent secretariat, the International Labour Office, is, first of all, in charge of the preparation of all the reports which are necessary for the Conference and for the work of the Governing Body. In addition, however, it is a great exchange centre of information on all matters of social importance—on all social questions. It issues several publications, and it replies, as far as possible, to all requests for information which come to it from member states, from employers, from workers, and from other organizations in various countries. It will also deal with the requests for information received from private persons. One of the most important publications of the office is the *International Labour Review*, which is devoted to all important matters in the social field. I have some copies of it here, which I can leave with you. One is in English and the other is in French. I am leaving them for the information of members of this committee, if any member should like to see them afterwards.

In matters especially concerning the prevention of accidents, which is the matter dealt with in Convention 32, there is a special section in the office and it issues a publication called *Industrial Safety Survey*, which is now issued in English and Spanish only. Previously it had been issued in English, French and German. I shall leave copies with you.

In addition, there is a series of special monographs on the various technical and economic questions, and I have brought one of them with me; it is just out. This, I may say, is some of my own work; it has to do with *The Safe Installation and Use of Abrasive Wheels*. That is a machine which is very dangerous, and we have brought this special publication out with regard to it.

Mr. FRASER: Is that published in Canada?

The WITNESS: In Montreal, sir.

Mr. FRASER: Not by the I.L.O.?

The WITNESS: Yes, by the International Labour Office in Montreal.

Mr. FRASER: Not the headquarters?

The WITNESS: Yes.

Mr. FRASER: Is everything moved over here now?

The WITNESS: Yes.

Mr. FRASER: And that is paid for—

The WITNESS: By the member states.

Perhaps I should go back to the beginning of this war, because the question of changing headquarters came up in 1939 when war broke out. It became more and more difficult for the Office to carry out its functions. Communications with overseas countries became more and more difficult, and little by little they were cut down almost entirely except for some things which could be got by clipper from the United States through Lisbon and Spain and southern, or what was called "unoccupied", France. It was evident that the Office could not carry on as it should if it were to remain in Geneva, and there was always the danger that the Germans would break into Switzerland and occupy the whole of that little country; our director at that time, Mr. John G. Winant, now United States ambassador to Britain, decided to move the Office from Geneva, and we were lucky enough to get a new headquarters at McGill University in Montreal. We are certainly very thankful to Canada as a whole, to the Province of Quebec, to McGill University and to the City of Montreal for the great hospitality that has been extended to us. We came over that time with about forty members. The staff in Geneva numbered between 480 and 500, so not quite 10 per cent of the staff came over, and those that did come were mostly chiefs of sections and services and a few special secretaries. They came to Montreal in September 1940. We started our work and little by little we have been able to build up again so that now we have a staff of about 200, and we shall probably have a few more after the Paris Conference, when all the decisions taken there are known. We have been able to carry on and develop the work of the Office on a much larger scale than, perhaps, anybody ever hoped when we came to Canada in 1940.

Mr. Chairman and gentlemen, I think this is about all I have to tell you now, but if there is anybody who wishes to put any questions to me on the organization or on Convention 32 I shall be glad to reply to the best of my ability.

The CHAIRMAN: Do any of the members wish to ask the witness questions?

Mr. FRASER: I should like to ask a question. I do not know whether I understood this matter rightly or not. Suppose Canada were not quite in agreement with a Convention before them and were to send back recommendations or to state that they could not agree to certain parts of the Convention, I understood from what the witness said that then the Governing Body would make recommendations; is that right?

Mr. VAAGE: No, that is not right. The Conventions have been adopted by the Conference and can only be changed by the Conference. Any country which wants to ratify a Convention must ratify it as it stands, but if after having ratified and started carrying out this Convention it is found that there are

certain difficulties or if it does not work out properly, then Canada or any other Member State is free to approach the International Labour Office and to say what it has found wrong with the Convention and to propose such measures as it thinks might be useful in remedying the situation.

Now, this particular Convention concerning the dock workers was first adopted in 1929, and was ratified by a few countries; but several countries came with complaints that certain things did not function, did not work out in practice as it had been thought they would; and the result was that then the proposals for revisions were submitted to the International Labour Office and transmitted by the Office to the Governing Body. The governing body decided to take up this Convention and make it a matter for discussion by the Conference in 1932, and the text as it is to-day is the revised text which has since been ratified by several countries.

Mr. MACINNIS: May I ask the witness which countries are allowed to make representations for a change—countries that have adopted the convention or countries that have not adopted the convention or both?

Mr. VAAGE: Well, any country belonging to the organization, whether it has ratified the convention or not, can, of course, make proposals, but it will be for a special technical committee and for the Governing Body in that case to find out whether that country has the real experience necessary; because not having ratified the convention much will depend on the circumstances whether such a proposal can be taken into account or not. Of course, the other governments will have to be consulted. The Governing Body will certainly not put it up again on the agenda for a further revision unless there is a majority among the governments and the representatives of the Governing Body for it.

Mr. JACKMAN: Mr. Vaage, these conventions have to be ratified according to the constitutional process of each of the member countries?

Mr. VAAGE: Yes.

Mr. JACKMAN: Can you tell us what happened in regard to the 1935 legislation which Canada sought and which was ratified under Mr. Bennett's government, but which was held to be ultra vires of the Dominion Government. What happens in a case like that?

Mr. VAAGE: I am not quite sure which convention it was.

Mr. JACKMAN: It had to do with labour conventions.

Mr. FLEMING: It had to do with six days a week, and eight hour days, and so on.

Mr. VAAGE: Yes. Of course, there is a difficulty in connection with Canada, the United States, and other countries which have both a federal and provincial jurisdiction. In some cases the federal government is not authorized to make commitments on certain points which belong to the provinces or, in certain countries, to the states.

Mr. JACKMAN: What happens to the convention, if the member countries have not in their federal jurisdiction, the power to ratify? Does the convention fall by the board, then?

Mr. VAAGE: No. The situation is this: the Conference adopts what is called a Draft Convention. That Draft Convention becomes a Convention, really, as soon as it is ratified by two members; there is reciprocity between the two countries on that Convention that they have ratified, and they are bound by it. It ceases to be a Draft Convention and it becomes a binding convention; and any country ratifying that Convention afterwards becomes, automatically, a party to that Convention and is bound by it. But countries which have not ratified it, are not bound by it in any way. Is that quite clear?

Mr. JACKMAN: Yes, that is clear. But supposing a country does ratify it and then there are breaches of it. Is there any sanction or punishment?

Mr. VAAGE: I do not think punishment is perhaps quite the right word; but should a country find that another country which has ratified the convention does not live up to it, then the first country has the right to complain to the International Labour Organization. Of course, any country ratifying the convention is bound to furnish annual reports on the Convention and on the legislation which it has enacted to bring its own legislation into harmony with the Convention, and also to report on such measures as it has taken to see that the Convention is carried out. how many times it has found the Convention to be broken, and what measures it took. For example, if an employer breaks the provision of a Convention, then the government is supposed to exercise sanctions against that man, or against that firm. The annual reports sent in to The International Labour Organization are examined by a special committee of experts. I have here the last report of that kind, a report to the Paris Conference, under article 22 of the constitution of the International Labour Organization. Experts go through these reports and they will see that the government of such and such a country reports that it has done this, and this, and this; and they may say that they think that on a particular point a certain government is not quite up to the standards required by the Convention; and they would recommend that attention should be drawn to the fact, and that the situation should be remedied as regards that particular point.

Mr. BOUCHER: Then it is fair to say that the International Labour Organization has no provision to exercise sanctions or impose punishments but simply to draw the attention of the offending party to it?

Mr. VAAGE: I think that is quite a good sanction in itself; I can tell you from many years experience that the delegates of certain countries have found it very hard to have the legislation or measures of their country criticized in public, because they have been discussed at the International Labour Conference. It is not comfortable for the government delegates of any country to have to sit and hear their own country criticized in front of the representatives of fifty or more nations throughout the world, and to be told that their particular country is not living up to the standard. It is only a moral sanction, quite true; there is a very strong moral force or sanction in that, though.

Mr. JACKMAN: Do minor amendments have to go through the same formal process as the original Convention?

Mr. VAAGE: If a Convention is modified it becomes a new Convention. Of course, much depends upon the degree of modification.

Mr. JACKMAN: But what about minor amendments?

Mr. VAAGE: You cannot make minor amendments. They have to go through exactly the same procedure as the original Convention. There has to be an accord on it through the Office, and it has to go before the Conference. It may, of course, be done by single discussion at one session of the Conference.

Mr. JACKMAN: In other words, there has been evidence of a good spirit on the part of the subscribing countries as to the constitutional workings?

Mr. VAAGE: Oh, yes.

Mr. KNOWLES: I should like to ask a question with respect to the dockers convention. Should this convention put Mr. Vaage in the position of having to pass judgment on Canada, and he would not wish to do that, he can just state the fact. We have been trying in this committee to find out whether to ratify the dockers convention would be purely a perfunctory act on our part; whether we are already living up to it, or whether there are any points in which we are not already fulfilling our obligations involved in that convention. In questioning our own various departmental officials we have found that in most respects we were living up to that convention already. However, we did find one respect in which we were not living quite up to it; that had to do with ships tackle

inspection. Now I would like to ask Mr. Vaage, simply as a matter of information, whether he knows of any other respects in which Canada would have to improve her practise in order to carry out the commitments under this convention should we adopt it?

Mr. VAAGE: No sir, I do not. But I must add that I have no special information on the situation in Canada, so far, except as I have seen in the minutes of this committee which have been made available to me. That information would be made available in the first report of the Canadian government to the International Labour Office. The government would have to point out exactly which legislation is in force covering these measures and what measures have been taken to enforce these provisions. But, so far as I can see, I would say that the Canada Shipping Act is quite in conformity with the Convention itself.

Mr. KNOWLES: You mentioned having read the minutes of the committee. I take it then that you have seen the reference to the inspection of ships tackle?

Mr. VAAGE: Yes.

Mr. KNOWLES: Would you say that we were justified in calling attention to the deficiency on that score?

Mr. VAAGE: Yes. I think it was very valuable that this committee should draw attention to that because I do not think, if I may express my own private opinion as a technician and an engineer and longstanding safety man in the International Labour Organization—that you can get a good man for the salary that is mentioned in those minutes. There is a need for a man who could say not only that this part or that part is worn out, or not strong enough, but for a man who must also be able to control, for instance, the position of a boom on a ship. There are certain angles there which are rather complicated problems. I believe that a ship's mate or a retired captain may be able to do it, but I do not believe that just any mechanic, whatever he may be, is competent to do that sort of job.

The CHAIRMAN: That is what I thought at our last meeting. There must be somebody before the inspector gets in, who must look after safety requirements.

Mr. KNOWLES: It is our job to make sure that we have proper inspection.

Mr. VAAGE: Yes. I may say here that the International Labour Organization is bringing out a monograph on the safety of loading and unloading of ships. It will be available in English, I suppose, in about a month's time, and would certainly be a very good handbook to be distributed to the various inspectors. I believe that they could learn a lot from that handbook. I might also add that in several countries the state has issued special brochures or small handbooks dealing with that subject and has distributed them to their inspectors.

Mr. FRASER: That would hinge on the loading and unloading facilities of those countries. Perhaps, for example, on the Pacific coast, where they have not got any docks as in Central America or in South America, the situation would be entirely different there from the loading and unloading places?

Mr. VAAGE: That is true. But perhaps if national monographs or pamphlets are issued, they would take into account difficulties in each particular country. In our monograph which will be coming out pretty soon we have got to take into account, of course, more or less the international aspect of it. I have with me here a set of the first proofs of that monograph. The first chapter of it deals with the safety factor; that is a very important thing which an inspector must be capable of determining. Another deals with hoisting machines and gear on boats. In the book there are about one hundred figures to show exactly how things should be arranged and up. There is another chapter on stresses in cranes, and so on. And of course, there is one very important chapter on the slinging of loads. That, too, is a very dangerous thing if not

done properly. This monograph has been prepared by the chief port inspector at Rotterdam. His experience, I think, is absolutely unique in the whole world, because he has had such a good opportunity of seeing ships from all parts and all countries of the world coming in. His interest was drawn to this safety question when several ships came in and, while they were being unloaded, the booms fell down. Here I have a little pamphlet issued by the chief port inspector in Norway. This pamphlet is used in every port in Norway, although that country has not yet ratified the convention. It would have done so if it had not been for the war. It probably will do so soon, but in the meantime it has already issued material for the inspectors, so that the Convention can be carried out.

Mr. MACINNIS: Does the International Labour Organization compile or keep comparative statistics on accidents in loading or unloading of ships?

Mr. VAAGE: Well, we do keep actual statistics, so far as we can get information from the various countries. For instance, we always publish in *Industrial Safety Survey* extracts of all accident statistics that we can lay hands on. Of course, that material is also conserved in the office itself.

Mr. MACINNIS: Including information with respect to those countries that have never ratified the convention?

Mr. VAAGE: Yes.

Mr. BENIDICKSON: Just for the record, would you mind describing this publication?

Mr. VAAGE: It is a publication devoted exclusively to industrial safety, and to occupational diseases to a certain extent; but mainly it is devoted to industrial safety and the prevention of industrial accidents. It is published now in English and in Spanish, and we hope to have a French edition very soon, as soon as we can get the necessary staff again.

Mr. WINKLER: Would you get much information say, from China, where most of the loading and unloading is done by hand?

Mr. VAAGE: No. It has been very difficult to get information on that subject from China. We did get some information from Japan before the war, so long as Japan was a member of the organization. But from China I do not think we have ever had anything on that subject.

Mr. BLANCHETTE: Would Mr. Vaage kindly inform the committee how long it generally takes for a Convention to be established?

Mr. VAAGE: That depends, of course. This Convention, which is before you, No. 32, was ratified for the first time by Uruguay, about a year after, or even a less than a year after, its adoption. Italy followed Uruguay in the same year, about fourteen months after the establishment of the Convention. Then Spain was the next country, and then Mexico, about a year and a half after the Convention. It depends, of course, how the situation is. If a country has its legislation already adopted more or less along the lines of the Convention, then it can ratify without any difficulty and very soon; but if it has first to enact national legislation in order to be in conformity with the convention, then it will take much more time.

Mr. BLANCHETTE: I mean, if the government decided to adopt this Convention, how long would it take to draw up that Convention?

Mr. VAAGE: The Governing Body submits the question to the Conference in the first, or grey, report. Secondly, there is a blue report. It takes two years with the double discussion system. Well, of course, if the reports are very difficult to establish, as sometimes is the case—and these reports have to be established in English and French, and in some cases in Spanish and in other languages as well—it will be a matter of how soon the Office can work out

the reports from the moment the Governing Body decided that a question shall go on the agenda of a future Conference. Then, it is more or less up to the Office; how soon they can prepare the report, in the usual languages for the Conference. It may take as much as two years.

Mr. BLANCHETTE: Thank you.

The CHAIRMAN: Are there any more questions?

Mr. JAKES: I have one question. How is it in comparison with other countries which have the democracies, the so-called democracies? How does Spain measure up?

Mr. VAAGE: We have had no experience with Spain since the civil war broke out there in 1936.

Mr. JAKES: But since that?

Mr. VAAGE: Since that we have not learned much about Spain because Spain retired from the organization and we have not had any reports. But so far as I can see, in my own particular field, that of accident prevention—which, of course, is no measure for the whole situation—but from that point of view I think Spain has done quite well in that particular field. But that, of course, was the same in Italy and Germany also. Those countries wanted to conserve their man power and for that reason they were very severe against accidents and occupational diseases.

Mr. JAKES: Then the convention was well enforced?

Mr. VAAGE: Yes.

The CHAIRMAN: The Committee wishes to thank you, Mr. Vaage for coming here this morning, for your presentation to the committee, and for answering the questions. Now, Mr. Vaage, you are free to remain as long as you wish, or you may go back to Montreal. I now call on Dr. Allon Peebles, of the Department of Labour, Ottawa, who will deal with part 111 of convention No. 63, which was left out the other day.

Dr. PEEBLES: Mr. Chairman, and gentlemen: I am director of the research of the Statistics Branch of the Department of Labour. As your chairman indicates, I am here in connection with part 111 of convention 63 which deals with "statistics of time rates of wages and of normal hours of work in mining and manufacturing industries." I can say that we are fulfilling virtually all the requirements of the convention at the present time. We do have all the necessary machinery to carry out the terms of the convention. We obtain annually information from some thirteen thousand employers—and they are representative employers—and they do include industries not required under the convention. So, we go further than the terms of the convention actually require. We obtain annual reports from the employers with respect to hourly rates and also with respect to hours of work worked by their employees. We prepare the various index numbers, and we revise not only the general index for the whole country, but for the various branches of manufacturing and the various industries within that general field, and we also publish a very thorough occupational wage rate data, not once every three years as is required in the convention, but we publish that information annually and we publish it in far greater detail than the convention requires. That is, they state in article 15 that separate figures should be published at least once a year for the main occupations in the most important of these industries. Well, we publish our figures for the main occupations not only in the industries specified but in additional industries. These reports, a copy of which you have in front of you, No. 26, "Wages and Hours of Labour in Canada" are printed as supplements to the Labour Gazette, and that of course means in both French and English. They are distributed to the whole mailing list of the

Labour Gazette throughout the country. We have never had a request from the International Labour Organization for data that we have not been able to fill. I think, Mr. Chairman, perhaps that is enough in the way of a preliminary statement, but I would be glad to answer any questions you may wish to ask me.

Mr. KNOWLES: I noted Dr. Peebles' clear indication that in many instances his division is able to produce more than the International Labour Organization asked for, and that we are more than living up to the convention. But I noticed that he said in his preliminary statement that we are fulfilling virtually all the provisions. Is that word "virtually" just thrown in there, or does he mean by the use of that word that there are some few instances where we have fallen down?

Dr. PEEBLES: Yes, there are. I might add that, so far as I know, there is no country which publishes any more complete statistics on wages and hours of work than we ourselves are publishing in Canada. But I would not make that statement without some little reservation. We have not taken all the reports and checked them literally. But so far as I, and the members of my branch, know, our statistics in this field are the most complete of any that have been published. Now, as to the "virtual" side of the question, I am interested to note that you caught that word. Under article 19, for example, letter (b), it says: "where the sources of information from which the statistics of time rates and of normal hours of work are compiled contained such particulars, these statistics shall at intervals not exceeding three years indicate: "item (b) the scale of any family allowances." I have some doubt as to whether that particular clause refers to the type of family allowances which we have in Canada. I think rather that it refers to the type of thing which they have in France, for example, where there is an industrial family allowance and where the employer actually does alter the amount of money which the employee receives in accordance with the marital status of the employee and the number of dependents which the particular employee has. I think that is probably what they had in mind, when they were drafting that particular clause in the convention. In any case, I do not see how we could satisfactorily, in statistics dealing with hourly rates of wages, take into account our particular system of family allowances, because here the employer would not know, and it would cause a great deal of inconvenience to the employer if we asked him to try to find out, the number of children, and their ages, and all the other details that would be necessary in order for that particular employer to state what the family allowance is that his employee is receiving. So we are not doing that at the present time, and we certainly would not do it without a great deal of further discussion with the International Labour Organization. I think it would be unsound, technically, to attempt to do it because the primary source of our information is the employer. The employer would not have the data and, as I have suggested, it would take a great deal of time on the part of the employer to get the necessary information. We always try to bear in mind, as I think Mr. Marshall stated here the other day before this committee, the importance of not imposing such a burden on the employer, in completing his reports, that we run into sales-resistance. The degree of cooperation that we have received from the employers has been very fine, and we want to retain the happy relations that exist between us and employers in that respect. That is one item for which we are not presently getting the information.

Mr. KNOWLES: Before you leave that, if the interpretation placed on the international labour organization wording is correct, and I do hope it is, I take the position as I did the other day, that we should not compile our statistics with respect to the federal government's family allowance in such a way that it would give industry a loophole for reducing wages. But, for the sake of

carrying out our commitments, under the convention, wouldn't it be correct to say that there are no family allowances of the type of which you speak there, and for which they are asking?

Dr. PEEBLES: Quite!

Mr. KNOWLES: Then it should be easy, very easy, to answer that question?

Dr. PEEBLES: If my information is correct, I checked that subject with Dr. George Davidson to see what he thought about it, and he thought the interpretation was a sound one.

Mr. FLEMING: Is there any proposal to seek an official interpretation on it from the International Labour Organization? Is there any machinery for the interpretation of the convention when the question of ambiguity arises, for example, with respect to family allowances?

Dr. PEEBLES: I think the best way would be to go down to Montreal and to see them at the International Labour Organization and find out what their experience is and how they govern themselves.

Mr. FLEMING: But there is no machinery within the International Labour Organization to give binding interpretation on the subject matter of this convention?

Dr. PEEBLES: I do not know of any personally; but I feel confident that there would be such machinery because such questions are bound to arise in connection with any convention of this kind.

Mr. MACINNIS: Could it possibly come under this, anyway? This deals particularly with statistics of time rates of wages and of normal hours of work in mining and manufacturing industries. A family allowance is not part of a wage. You are not dealing with family income, but with family wage.

Mr. KNOWLES: Not in Canada, at any rate.

Dr. PEEBLES: That is the way I had interpreted it.

Mr. KNOWLES: Your "virtually" is all right on that point.

Dr. PEEBLES: That is right. Now item (d), under article 19, "the amount of overtime permitted." We are not getting that particular item of information at the present time. It is quite minor, and we can get it; but we are getting the facts with respect to overtime and the rates of pay for overtime. We ask in our questionnaire that we send out what the rates of pay are. What do you pay for overtime, Sundays and holidays, and that sort of thing? We do not ask the specific question how much overtime do you permit, or what is your outside limit in a particular day or in a particular week. But that would be a very simple matter to add to the questionnaire. If we had been asking questions a year ago, we would not have been complying with the second section of article 21 with respect to compiling an index of hours of work. But we have started that within the last year, and hereafter we shall continue to do that. Now, the only other item that is of significance in connection with the "virtually" is article 14, item 1, "the statistics of time rates of wages and of normal hours of work shall show the rates and hours: (a) fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards; (b) ascertained from organizations of employers and workers, from joint bodies, or from other appropriate sources of information, in cases where rates and hours are not fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards." We are not doing that literally at the present time because it has no significance at the present time in Canada. Certainly wages, it will be conceded, are all being controlled under the War Labour Board, so that such a distinction will have no significance at the present time. When wage regulations cease, then there will be a problem involved there. I might say that it is quite an involved and technical problem to carry out literally the terms of that first clause in article 14, and I do not know of any country which is publishing such data at the present time. Certainly the

Annual Report, the statistical report in connection with the Labour Office does not include such statistics. But apart from that, I think that we are covering all the requirements of the convention and, as I said, we do have the administrative machinery to implement this convention if it be adopted.

Mr. KNOWLES: When the controls are of, that would be a desirable provision, that information, wouldn't it?

Dr. PEEBLES: Yes, I do not know how much more we can go into these matters, but the way it is worded might cause a good many difficulties. Take hours and wages fixed in pursuance of laws, minimum wages, for example. As everybody knows, a good many employers take a considerable pride in paying more than the minimum wages. Other employers pay only the minimum wages and no more than the minimum wages. Now, in getting returns from employers on that score, it would be a very nice technical problem, for example, in those occupations where the minimum wages are established by law, to get the employer to make a distinction between the rates for those particular occupations. If he were paying the minimum only, it would not be so difficult; but what it might really amount to would be this: we would have to require this information in addition to that which we have at the present time for each occupational group. Where a particular rate of pay is concerned, we get literally from every employer the wage for each occupation, and for the sub groups within that occupation, if the rate of pay is different. We would in addition to this information have a very substantial number of employers whose answers to all that we would have to get, and we would have to get them to put in an explanation opposite each of these rates, whether they were fixed by law, or in pursuance of laws and regulations, collective agreement or arbitral award. I can foresee that it would be a very involved problem and one which, if this convention were adopted, I would like to discuss with the International Labour Organization in more detail to see just what other countries are doing to meet this particular clause of the convention.

Mr. FLEMING: But, from the point of view of your department, you do not take objection to the ratification of the convention?

Dr. PEEBLES: Not at all.

Mr. FLEMING: Would its adoption be of positive assistance to you in any way?

Dr. PEEBLES: Well, in the first place, I am very definitely in favour of the convention being adopted. I am a supporter of the International Labour Organization in my personal capacity and I believe in the ultimate objectives which it is trying to achieve, and I believe in the method of adopting conventions in order to achieve those objectives. But as to this convention being a particular help to my branch in the work we are doing, I cannot say offhand that it would make any material difference. Possibly because I have been getting very good support from my deputy minister for any changes which we have been initiating in this field, I do not think there would be anything particularly gained by adopting it, from our own standpoint. There might, however, come a time, possibly of governmental economy, or with a different type of deputy minister, when the fact that Canada had adopted this convention would be very important, for example, should we want to prevent standards which have been built up, standards of thoroughness and accuracy and so on, from being cut down. So, from that standpoint, my answer would be yes. It would be a good thing to adopt the convention.

Mr. FLEMING: Then, there is the further point too. I suppose that the more accurate the basis of comparison of Canadian statistics with those of other countries, the better.

Mr. MACINNIS: The only effect which the regulations of the convention would have on your work would be to the extent that you would have to get your statistics in more detail, under this section 14?

Dr. PEEBLES: That is right.

Mr. JACKMAN: Dr. Peebles, the Bureau of Statistics does not seek to interpret the reports of the International Labour Organization at all? Their function is purely that of a collective agency of information relative to Canada? You do not publish any report, annually or bi-annually, in regard to the rates of wages or conditions of work in Canada as compared, let us say, with European countries? Do you draw any deductions at all, or are you simply a source of information for legislators and others, to compare rates in Canada with rates in other countries?

Dr. PEEBLES: Yes, essentially that is our main function, to act as a source of information within Canada. We do occasionally prepare some comparative articles for publication in the Labour Gazette. But we do not do that on a regular basis. I might add that one of the most important phases of this work, not coming literally under the convention, is the supplying of information on a spot basis to anyone who requires it, providing we can do it within limits of finance and so on. But we have 140 to 150 inquiries a year from trade unions or from employers or from members of parliament for specific information which does not appear in this report; and within limits of time and staff we, of course, do answer all those inquiries.

Mr. JACKMAN: For instance, if you take the pulp and paper industry, it is not the function of the Dominion Bureau of Statistics to publish any information concerning the rate of wages paid to woodcutters in Canada as compared to Norway, Finland and other countries?

Dr. PEEBLES: Yes. I am not connected, except in a personal and friendly way, with the Dominion Bureau of Statistics. They look after some of the phases of this convention, but it is for the Research Statistics branch of the Department of Labour to answer any particular questions on wage rates. We do not compare hourly rates of pay in the pulp and paper industry in Canada with some other countries.

Mr. BENIDICKSON: Do you know if the Dominion Bureau of Statistics provides such information?

Dr. PEEBLES: I do not think they provide it. Do they do that, Mr. Cohen?

Mr. A. COHEN was called.

Mr. A. COHEN: No, we do not. I am chief of the general manufactures' branch of the Dominion Bureau of Statistics. The general policy of the Bureau is not to make comparisons, that is, international comparisons of our own industries with those of other countries. But, naturally, when we are asked to make some comparison, we do so as a favour inasmuch as people would not have access to the foreign statistics. For example, some time ago a manufacturer asked me to give him a statement on the general level of wages paid in Canada as compared with those paid in the United States. I searched the United States reports in this connection and made a statement in which I compared the Canadian wages and those of the United States. I did this not because it is our policy to do so, but merely to help this man out because he was very much interested in the subject.

The CHAIRMAN: Thank you, Mr. Cohen.

Dr. PEEBLES: In the Year Book of Labour Statistics published by the International Labour Organization they do what you have in mind for the general level of wages and they give those wages by industries. They give the wages in thirty important occupations.

Mr. JACKMAN: Would the 1944 figures be available to the International Labour Organization?

Dr. PEEBLES: Well, we received this in August, 1945. It applied to the years 1943 and 1944, so it would be about a year after. But in some instances, countries are left out. That is, the latest data the International Labour Organization may have received would apply to 1942 or, possibly to 1941 in some of these reports.

Mr. BENIDICKSON: What is the title of that book?

Dr. PEEBLES: "The Year Book of Labour Statistics."

The CHAIRMAN: Any more questions?

Mr. JACKMAN: May I just ask Dr. Peebles: You sent out these returns to be filled in by employers? Do you just get a fair sample, for example, from those firms having twenty or more employees?

Dr. PEEBLES: We send out forms to approximately thirteen thousand different employers. In some instances there is more than one establishment under an employer, so, in an aggregate way, we get returns from approximately fifteen thousand employers. Now, in some instances they have fifteen or more employees; but for certain types of business, such as garages and so on, the number of employees is smaller. So I think you can say very specifically that they are definitely not samples, but a very thorough report—especially when compared to before the war when we obtained returns from only approximately six thousand employers. You see we have doubled the scope of the reports.

Mr. JACKMAN: Not only is it a sample, but it is all inclusive.

Dr. PEEBLES: It is virtually all inclusive in certain fields. Yes.

The CHAIRMAN: If the members are through questioning, I would like to thank Dr. Peebles for coming here this morning.

Dr. PEEBLES: It has been a very pleasant experience for me because it is the first time I have ever appeared before a parliamentary committee.

Mr. MACINNIS: We are a fine bunch of people.

The CHAIRMAN: I shall now ask the indulgence of the members to remain here for about five or six minutes at the most. I believe it would be in order for a motion that we have the statistical report from the Chief Statistician of the International Labour Organization published as an appendix to this day's evidence.

Mr. BLANCHETTE: I move that.

The CHAIRMAN: It is moved by Mr. Blanchette that the Statistical Report from the Chief Statistician of the International Labour Organization be published as an appendix to this day's business.

(Statistical Report appears as Appendix "C")

The Committee proceeded to discuss its proposed report and its further business.

The CHAIRMAN: A motion to adjourn is in order. We will meet again on Thursday to discuss the report.

On motion of Mr. MacInnis, the committee adjourned at 1 p.m. to meet again on Thursday at 11.30 a.m.

APPENDIX A

MEMORANDUM CONCERNING STATISTICS REQUIRED TO MEET
THE REQUIREMENTS OF DRAFT CONVENTION No. 63 I.L.O.

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

The Dominion Bureau of Statistics already compiles most of the information necessary for meeting the provision of Parts I, II and IV of this Convention. The Bureau will undertake to enlarge its statistics so that the requirements of the Convention will be met as fully as possible covering Parts I, II and IV.

Statistics of Time Rates of Wages and of Normal Hours of Work (Part III of the Convention) are collected by the Department of Labour.

The Dominion Bureau of Statistics maintains the following series respecting earnings and hours of work:

(a) Monthly Statistics of Employment and Payrolls

Current surveys of employees and earnings in one week in each month, based upon an exceedingly large sample of industry, to show the month-to-month fluctuations in the following main industrial groups:—manufacturing, logging, mining, transportation, communications, construction and maintenance, retail and wholesale trade, finance, and such services as hotels and restaurants, laundries and dry-cleaning establishments, etc.

These surveys, prepared in the Employment Statistics Branch, show the weekly aggregate of salaries and wages disbursed by the establishments ordinarily employing 15 persons and over, and the weekly average earnings of their employees. The series is designed primarily to show trends in employment, and in the aggregate and average earnings of wage-earners and salaried employees.

Monthly statistics are prepared upon an industrial basis for the provinces and for 20 cities having populations in excess of 35,000, as well as for the Dominion as a whole. The extent of the coverage was dealt with on pages 44 to 48 of the 1944 Annual Review of Employment, in which appeared tables showing industrial and provincial comparisons of the number of employees reported in the monthly survey of employment and payrolls for June 1, 1941, with the total number of wage-earners enumerated in the 1941 Decennial Census, and also with the enumerated wage-earners in the industries covered in the monthly surveys.

For large numbers of industries in the Dominion, and in the provinces and cities, figures are published each month showing (1) the numbers of employees reported by the co-operating establishments, (2) the amounts currently expended in aggregate weekly salaries and wages, (3) the average weekly earnings per person in recorded employment, (4) index numbers of employment and (5) index numbers of payrolls. Index numbers of average weekly earnings are also calculated on occasions.

(b) Monthly Data on Man-Hours and Hourly Earnings

Current statistics of hours actually worked and average hourly earnings of wage-earners paid at hourly rates, are obtained for the workers in each of the above-named industries who are paid at hourly rates. The coverage of such persons is relatively high considering that, apart from salaried personnel, many wage-earners are paid at other than hourly rates, in some cases at daily or weekly rates, or at piece-work rates. In such cases, it is not the custom of

Canadian industry, on the whole, to maintain adequate records of hours worked to permit the collection of accurate statistics of man-hours and hourly earnings. As a result of this factor, the number of wage-earners covered in the current surveys of man-hours and hourly earnings is smaller than the number for whom data are obtained in the monthly statistics of employment and payrolls. The attached table shows the number of salaried employees and wage-earners for whom statistics of average weekly earnings were available at August 1, 1945, and the number of wage-earners paid at hourly rates for whom satisfactory data of hours worked and average hourly earnings were obtained at the same date.

The monthly statistics of man-hours and hourly wages have been collected only within the last twelve months; when time permits the establishment of a satisfactory basic period, index numbers of man-hours, average hourly earnings and average weekly wages of hourly-rated employees will be computed and published monthly. In the meantime, data are published each month showing for a considerable list of industries in the Dominion (1) the average hours worked, (2) the average hourly earnings, (3) the number of wage-earners for whom such data are available and (4) the average weekly wages of such wage-earners. For leading industries in the provinces, statistics of average hours worked and average hourly earnings are now being published, while eventually information will also be issued for the larger cities.

(c) Annual Census of Industry

In the Annual Census of Industry, statistics have been prepared for many years showing the numbers of salaried employees and wage-earners employed in all manufacturing establishments, irrespective of size, and the annual aggregate of salaries and wages paid by such establishments. An annual census is also taken of the mining, construction and transportation industries. The data of these Censuses show the total wage bill in the industries covered, rather than the current trends, as in the case of the monthly surveys.

In the case of the manufacturing industries, annual aggregate and average salaries and wages are computed each year, for a lengthy list of industries in the Dominion, the provinces, the leading cities and by counties and Census Divisions. These figures of earnings are directly comparable with the statistics of volume and value of production, costs of materials, fuels, capital employed, etc., etc. They are not primarily intended as labour statistics, though they provide exceeding valuable data of the kind.

Annually, the Census of Manufactures compiles statistics showing for male and female wage-earners, the hours worked and the average hourly earnings in the week of highest employment; such data are published, together with the average weekly and annual earnings of the wage-earners employed in the establishments maintaining records of hours worked, for a considerable number of industries.

Frequency tables are also prepared, for a lengthy list of industries, for wage-earners as a whole and for male and female wage-earners, showing the distribution according to an indicated grouping of hours per week. Also published on an annual basis are tables showing the average weekly earnings of male and female wage-earners in the leading industries.

For persons employed in mining, information is prepared annually by the Mining, Metallurgical and Chemical Branch, showing the distribution of wage-earners working specified numbers of hours during one week in the month of highest employment, together with the total wages paid in that week. This material is compiled for the Dominion and on a provincial and industrial basis.

The Transportation and Public Utilities Branch publishes annually statistics giving the number of days or of hours worked in the year by steam railway employees, together with the average salaries and wages paid per day or per hour, and per year. These data are compiled on an industrial and occupational basis for the Dominion as a whole.

(d) Statistics of Agricultural Wage-Earners

For male wage-earners on farms, data are prepared annually in the Agricultural Statistics Branch, showing the average daily and monthly wages, with and without board. Information is not available for women farm workers, since the number of such wage-earners is exceedingly small—less than 2,000 at the date of the 1941 Decennial Census. For obvious reasons, no information is available showing the hours worked by farm labourers.

As time and circumstances permit, the Dominion Bureau of Statistics plans to supplement the above data by the following:

(1) A study of the wages paid industrial wage-earners employed at other than hourly rates, i.e., by the day, or the week, or at piece work rates. This study will be undertaken by the Employment Statistics Branch in connection with the monthly surveys of employment and payrolls, from data already available.

(2) A study of the average hours worked and the average earnings of male and female wage-earners employed by establishments ordinarily having 15 employees and over. This would supplement the present semi-annual surveys of sex distribution of employed persons, and would provide more up-to-date information than can be obtained in an annual census; if repeated at sufficiently frequent intervals, it would provide exceedingly valuable data in regard to current trends of average earnings of men and women wage-earners and hours actually worked.

(e) Decennial Census of Earnings

The Decennial Census furnishes data on earnings of wage-earners in the 12 month period prior to the Census date. The census definition of a wage-earner is a person who works for salary, wages, commission, or piece rate, whether he be the general manager of a bank or a day labourer. It excludes employers and workers on own account.

The foregoing indicates that, in general, the data on record in the Dominion regarding hours worked and average earnings amply fulfil the requirements of the Draft Convention.

The following notes deal briefly with the various articles under Part II of the Draft Convention.

ARTICLE

1. Information regarding earnings of persons employed in all branches of mining, manufacturing and construction, as well as in many other industries, are included (1) in our monthly statistics of employment and payrolls, and (2) in our monthly statistics of man-hours and hourly earnings.

2. The statistics of average earnings and hours worked are compiled on the basis of a representative sample of establishments and wage-earners. The coverage in our surveys is extremely high, being close to 90 p.c. in the case of manufacturing. Statistics of man-hours are available for a smaller coverage of wage-earners, for the reason that a record of hours worked is not kept for all classes of wage-earners in manufacturing as in other industries. However, statistics of average hours worked are available for between 75 and 80 p.c. of the sample of 90 p.c. of the total salaried employees and wage-earners of factories for whom data are obtained in the monthly surveys of employment. Tables VII and VIII on pages 45 and 47 of the 1944 Annual Review of Employment and Payrolls for 1944 show, for the date of the Decennial Census the coverage of the total number of employees contained in the monthly survey of employment and payrolls for June 1, 1941, by provinces and by principal industries. It is obvious that these industrial and geographical samples are fully adequate.

3. (a) Figures of hours worked and hourly earnings are published for considerable number of industries, including those covered by the Convention.

(b) The scope of the industries or branches of industry for which statistics of employment and payrolls are available is contained in Tables VII and VIII of the 1944 Annual Review, referred to above. The following table shows the number of employees for whom statistics of man-hours and hourly earnings were available in the principal industries at Aug. 1, 1945, in comparison with the number for whom statistics of employment and payrolls were available at the same date. Here again, the figures indicate an extremely large coverage in the industries with which the Convention is concerned.

Comparison of the Number of Employees for Whom (a) Statistics of Employment and Weekly Payrolls and (b) Statistics of Man-Hours, Hourly Earnings and Weekly Wages were Available at August 1, 1945
Number of Employees Included in

Main industrial groups	Employment and payrolls tabulation (a)	Man-hours and hourly earnings tabulation (b)	Percentage b/a
Manufacturing	1,071,857	814,079	76.0
Logging	55,319	15,760	28.5
Mining	68,229	59,002	86.5
Communications	32,644	2,449	7.5
Transportation	165,107	42,734	25.9
Construction	152,930	68,726	44.9
Services	52,737	28,560	54.2
Trade	189,129	61,084	32.3
Eight leading industries.....	1,787,952	1,092,394	61.1

(Note: Statistics are published monthly for a considerable number of industries within these main broad industrial divisions.)

Comparison of Statistics of Earnings Published Monthly (a) for Salaried Employees and Wage-Earners, and (b) for Wage-Earners; these data relate to August 1, 1945

Main industrial groups	Average weekly earnings of salaried employees, wage earners \$	Weekly average hours worked No.	Average hourly earnings of hourly rated wage-earners cents	Average weekly wages of hourly-rated wage-earners \$
Manufacturing	32.85	44.3	69.6	30.83
Logging	27.07	44.2	65.2	28.92
Mining	38.94	44.3	85.0	37.66
Communications	31.16	45.4	55.3	25.11
Transportation	38.38	45.9 ⁽¹⁾	74.7 ⁽¹⁾	34.29 ⁽¹⁾
Construction	29.91	39.9	71.6	28.57
Services	19.68	44.1	43.0	18.96
Trade	27.35	42.3	54.9	23.22
Eight leading industries....	32.15	44.0	69.2	30.45

⁽¹⁾ Information for the C.N.R. and C.P.R. is not included in these figures; it is expected that statistics for their employees will shortly be available.

ARTICLE 6

(a) The statistics of average weekly and hourly earnings, in general include the total remuneration of the persons employed by the co-operating establishments. Specifically, the reported payments include salaries and wages, in the case of the current surveys of employment and payrolls, and include wages in the case of the man-hours and hourly earnings; also included in both cases, are cost-of-living bonuses, incentive and production bonuses. The weekly earnings include commissions, such as those paid, for example, to delivery men in the case of dairies and bakeries, but in most cases, statistics of hours worked are

not available for persons partly paid by commission, so that generally speaking, they are not included in the tabulations of hours and hourly earnings, although information on their behalf is included in the monthly statistics of employment and payrolls. Bonuses which are excluded, but which are believed to be relatively rare in the case of wage-earners, are those paid on an annual or semi-annual basis to salaried employees or wage-earners. The exclusion of such occasional payments from the statistics of the current surveys is due to the fact that they are not always paid at the same time of year, nor to the same classes of employees, nor indeed in the case of many establishments are they invariably paid each year. Thus the more or less fortuitous character of such payments renders them unsuitable for inclusion in monthly surveys, designed primarily to show trends. The Annual Census of Industry tabulations, being based on yearly earnings, can and do include such periodical bonuses. In 1945, the latest year for which the Census of Industry data are available, the annual average earnings of salaried employees and wage-earners in manufacturing were \$1,601. In the same year, the estimated annual average earnings of the persons reported in the current surveys for manufacturing was \$1,655. Various other factors serve to produce differences in the average figures obtained in the two series, but it is obvious from this comparison that the inclusion of annual and other occasional bonuses can make little difference in the figures of earnings. It therefore appears that we are justified in stating that the statistics available in the Dominion relate to all cash payments and bonuses received from the employer by the persons employed.

(b) and (d) The statistics of earnings collected by the Annual Census of Industry and also in the monthly surveys, includes the social insurance contributions and taxes for which the employee is liable, and which are paid through payroll deductions. Also in line with the spirit of the Convention, the statistics collected in the Dominion do not include the amount of the contributions to social insurance for which the employer himself is liable on behalf of his employees.

ARTICLE 7

It is generally true that allowances in kind, (for example, of free or cheap housing, food or fuel), do not form a substantial part of the remuneration of wage-earners in the Dominion, with the exception of agricultural and domestic workers. In the case of such establishments as hotels and restaurants and in logging, however, meals and board and lodging undoubtedly constitute a part of the remuneration of the employee. In the case of logging companies, a common practice is to charge a nominal sum for the board and lodging. It is not possible in monthly surveys, to determine with any degree of accuracy the value of such payments in kind. However, in the great majority of Canadian industries payment in kind does not enter into the picture. The industries exclusive of agriculture and domestic service, in which such payments might be a factor employed just over five per cent of the total number of wage-earners as enumerated at the date of the Decennial Census. It therefore appears that the requirements of Article 7 do not pertain to the situation in Canada. It is expected that the Bureau's studies on national income tax will eventually yield information which will show more precisely the importance of this factor.

ARTICLE 8

The recent institution of Family Allowances in Canada will no doubt eventually permit the calculation of a figure showing average earnings in the Dominion supplemented by the average amounts paid in family allowances per wage-earner.

ARTICLE 9

1. The statistics of average earnings now collected in the Bureau relate to stated periods of time: (1) per year, or per week of highest employment in the case of the Annual Census of Industry, (2) per week in the case of the monthly surveys of employment and payrolls, and (3) per hour and per week in the case of the man-hours and hourly earnings statistics.

(There is scope for a third series, to provide statistics of wages earned by wage-earners who are paid at other than hourly rates. In most cases, these wage-earners are paid at daily or weekly rates, or by the piece work plan. We plan to undertake a study along these lines as soon as time permits.)

2. The statistics of average hourly earnings relate to the same period as the statistics of hours actually worked, namely, one week per month.

ARTICLE 10

1. The statistics of average earnings and of hours worked are compiled for one week in each month, in connection with the current surveys of employment and payrolls relating to manufacturing and non-manufacturing industries, while the Annual Census of Industry computes for manufacturing similar data for the week of highest employment in the year.

2. Annually, the Census of Industry prepares data showing separately the earnings of male and female wage-earners in the week of highest employment in a considerable list of manufacturing industries. No attempt has been made by the Dominion Government to prepare separate information for adults and juveniles.¹ In view of the fact that in most cases, the employment of juvenile workers is regulated by provincial laws, it would seem that the requirements of this Article for data for male and female employees are met to a considerable extent by the statistics of the Annual Census of Industry.

ARTICLE 11

The statistics of average hourly earnings and of hours actually worked are currently prepared for all provinces and for the Dominion as a whole, and in addition, for a considerable number of cities, i.e. for those having a population in excess of 35,000.

ARTICLE 12

1. Index numbers of aggregate weekly earnings are also published each month, the record now being available for a period of 4½ years. Data are available for similar index numbers of average weekly earnings, which are now occasionally calculated. Index numbers of aggregate and average hours worked and of hourly and weekly wages of hourly-rated employees will be prepared as soon as a sufficient time has elapsed to permit the selection of a satisfactory basic period.

2. The index numbers of man-hours and hourly earnings could be weighted in accordance with the relative importance of the different industries if this were considered advisable.

3. Brief descriptions of the methods employed in preparing the monthly statistics of payrolls, and of man-hours and hourly earnings are now published in the monthly bulletins on these subjects. When index numbers for the latter are provided, similar information will be given on their behalf.

November 5, 1945.

H. MARSHALL,
Acting Dominion Statistician.

¹In British Columbia data are available annually in certain industries for adult and adolescent wage-earners by sex. (See Annual Report of the Provincial Department of Labour for 1944.)

APPENDIX B

(Submitted by Mr. F. A. Willsher)

Excerpt from COMP. No. 43-70

OTTAWA, February 26, 1943.

CIVIL SERVICE EXAMINATION

Applications are Invited from Male Residents of the Province of British Columbia, Ontario, Quebec, New Brunswick, Prince Edward Island and Nova Scotia, Possessing the Necessary Qualifications for Position of Inspector of Ships' Tackle, Male, Department of Transport.

\$1260 per Annum, Plus Cost of Living Bonus Fixed for the Present at \$18.42 per Month.

This Advertisement is Authorized by the Director of National Selective Service and Persons May Answer this Advertisement Without a Permit from the National Selective Service Office.

Salary: \$1260-1440 per annum. The initial salary of \$1260. per annum may be increased upon recommendation for meritorious service and increased usefulness at the rate of \$60 per annum, until the maximum of \$1440 has been reached.

Note: A deduction for retirement purposes is made from the compensation of all persons appointed to temporary positions, other than casual positions, in the public service of Canada. This deduction is at the rate of 5% in the case of persons not insurable under the provisions of the Unemployment Insurance Act, and 4% in the case of those who are required to pay Unemployment Insurance premiums. The deduction bears interest at the rate of 4% and will be returned to the employee on the termination of his engagement.

Duties: To inspect the tackle and gear used in loading and unloading ships to ensure that they comply with the provisions of the Canada Shipping Act, 1934; to supervise to such extent as may be necessary for the protection of those employed therein, the work of loading and unloading ships, and to perform other related work as required.

Qualifications required: Primary school education; at least one year's experience as a rigger or stevedore, or equivalent experience at sea; familiarity with the various kinds of ships' tackle and gear; good judgment; integrity; firmness. For a vacancy in the Province of Quebec, the appointee must be able to speak, read and write the English and French languages fluently.

APPENDIX C

(Prepared by Mr. Robert Woodbury, Chief Statistician, I.L.O.)

The "Convention Concerning Statistics of Wages and Hours of Work in the principal mining and manufacturing industries, including building and construction, and in agriculture," adopted by the International Labour Conference at its 24th Session, June 1938, provides that the countries ratifying it agree to collect, publish and send to the International Labour Office statistics of wages and hours of work in mining and manufacturing industries and agriculture, in accordance with a minimum programme as outlined in the Convention. In the case of mining and manufacturing industries, separate sections are devoted to wage rates and to earnings. A country ratifying may elect to collect statistics of wage rates or of earnings or both in mining and manufacturing industries; and it may elect to include or exclude agriculture from the scope of its wage statistics.

The purpose of ratifying is to associate the ratifying country with others who are prepared to collect statistics according to a uniform plan and with specifications for at least a minimum programme, and thus to improve the level of statistics of wages internationally and to promote international comparability of these statistics.

Ten countries have already ratified the Convention, as follows:

Australia, Denmark, Egypt, Mexico, Netherlands, New Zealand, Norway, Sweden, Switzerland and the Union of South Africa.

A country ratifying the Convention may limit its acceptance of the provisions of the programme by excluding agriculture, (Part IV) from the scope of the statistics; and/or, in the case of mining and manufacturing industries, either the statistics of earnings and actual hours of work (Part II) or the statistics of wage rates and normal hours of work (Part III). In the case of the countries which have ratified the Convention, Part II, has been excluded from ratification by Australia, New Zealand and South Africa; Part III, by Denmark, Egypt, Norway, Sweden and Switzerland; and Part IV (agriculture) has been excluded by Egypt, South Africa, and Switzerland.

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... Committee on, 1945

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

NOVEMBER 8, 20, and 22, 1945

Including Second Report to the House

WITNESSES

Mr. J. E. Read, legal adviser of the Department of External Affairs.

Arthur Slaght, K.C., counsel for the Stock Exchanges.

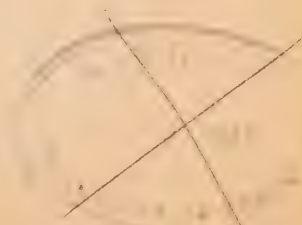
Joseph Sedgwick, K.C., counsel for the Prospectors and Developers Association of Canada.

OTTAWA

EDMOND CLOUTIER

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1945



ORDERS OF REFERENCE

TUESDAY, October 23, 1945.

Ordered—That the name of Mr. Sinclair (*Vancouver-North*) be substituted for that of Mr. Reid on the said Committee.

Ordered—That the said Committee be empowered to print from day to day 500 copies in English and 500 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

Ordered—That the said Committee be authorized to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, November 16, 1945.

Ordered—That the name of Mr. Adamson be substituted for that of Mr. Graydon on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, November 16, 1945.

Ordered—That the Treaty for the extradition of Criminals between Canada and the United States of America signed at Washington April 29, 1942, and the protocol annexed thereto which was signed at Ottawa, October 2, 1945, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, November 20, 1945.

Ordered—That the name of Mr. Jaenicke be substituted for that of Mr. Knowles on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, November 21, 1945.

Ordered—That the name of Mr. Marier be substituted for that of Mr. Picard on the said Committee and that the name of Mr. Dechene be substituted for that of Mr. Winkler on the same Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO HOUSE

MONDAY, November 12, 1945.

The Standing Committee on External Affairs begs leave to present the following as a

SECOND REPORT

As set out in the *Votes and Proceedings* of the House of Commons of October 22, 1945, two lengthy proposed resolutions of the House were, on that day, referred to your Committee, prior to consideration by the House.

These proposed resolutions may be identified as follows:

1. Approval of the Convention (No. 32) concerning protection against accidents of workers employed in loading or unloading ships (General Conference of International Labour Organization, Geneva, 16th Session, 27th April, 1932);
2. Approval of the Convention (No. 63) concerning statistics of wages and hours of work in the principal mining and manufacturing industries, including building and construction, and in agriculture (General Conference of International Labour Organization, Geneva, 24th Session, 2nd June, 1938).

Your Committee has heard representatives from the Department of External Affairs, the Department of Labour, the Bureau for Statistics of the Department of Trade and Commerce, the Shipping Branch of the Department of Transport and from the International Labour Office of Montreal.

Your Committee recommends the adoption of the two resolutions.

As regards the inspection of tackle and gear at Canadian ports, particularly the safety measures involved in the protection of workers engaged in the loading and unloading of ships, and in order that Canada may carry out in full the provisions of Convention No. 62 in this respect, your Committee recommends that the Government consider the advisability of increasing the number of inspectors and of providing for a more adequate remuneration for inspectors commensurate with their qualifications, duties and responsibilities.

Your Committee further recommends that it be empowered to consider matters connected with external affairs and report from time to time any suggestion or recommendation deemed advisable to the House of Commons.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, November 8, 1945.

Room 268.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Benidickson, Bradette, Coldwell, Fleming, Fraser, Isnor, Jackman, Jaques, Knowles, Leger, MacInnis, Sinclair (*Ontario*) and Winkler. (14).

The Chairman congratulated Messrs. Graydon, Knowles, Picard and Winkler, four members of the Committee, who were appointed delegates to the preparatory Commission of the United Nations Organization which will meet in London, England on November 28 next.

On behalf of the Steering Committee, the Chairman presented a draft Report for the consideration of the Committee, which was read by the Clerk.

Mr. Knowles moved that the said draft report be adopted.

Mr. Leger moved that the draft report be amended by deleting the last-named recommendation in said report. And the question being put on Mr. Leger's amendment, it was negatived, Yeas 3, Nays 10.

The motion of Mr. Knowles was resolved in the affirmative, on division.

On motion of Mr. MacInnis, *Ordered*, That the Chairman present the report as a second report to the House.

The Committee adjourned to the call of the Chair.

TUESDAY, November 20, 1945.

Room 497

The Standing Committee on External Affairs held an executive meeting at 11.30 o'clock. Mr. Bradette, the chairman, presided.

Members present: Messrs. Blanchette, Bradette, Coldwell, Diefenbaker, Fleming, Fraser, Jackman, Jaques, Leger, Low, MacInnis and Sinclair (*Ontario*). (13).

The Chairman reminded the members that the Treaty and Protocol for the extradition of criminals between Canada and the United States was before the Committee and that he had received several requests from bodies desirous of making representations.

At the suggestion of Mr. Coldwell, these requests will be brought to the attention of the Steering Committee.

Mr. Diefenbaker suggested that the president of the Canadian Bar Association be informed of the reference of the Treaty to the Committee.

The Committee agreed to begin its consideration of the Treaty and Protocol on Thursday, November 22 when Mr. Arthur Slaght, K.C. will be heard.

At the request of Mr. Diefenbaker, the Clerk was instructed to obtain copies of all treaties respecting extradition in effect in 1942 between Canada or Great Britain and the United States.

The Committee adjourned at 12 o'clock, until Thursday, November 22 at 11 a.m.

THURSDAY, November 22, 1945.

Room 268

The Standing Committee on External Affairs met this day at 10.00 o'clock a.m.; the Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Benidickson, Blanchette, Boucher, Bradette, Coldwell, Fleming, Fraser, Adamson, Hackett, Jackman, Kidd, Jaenicke, Leger, MacInnis, Marquis, Marier, Sinclair (Ontario), Tremblay, and Dechene. (19).

In attendance:

Toronto Stock Exchange

Mr. J. B. White, President;
Mr. W. G. Malcolm, Past President;
Mr. R. J. Breckenridge, Vice President;
Mr. F. J. Crawford, former President;
Mr. A. Trebelcock, Executive to the President.

Prospectors and Developers Association of Canada

Mrs. Viola McMillan, President;
Mr. George McMillan, Secretary-treasurer;
Mr. Joseph Sedgwick, K.C., Counsel.

Ontario Security Dealers Association

Mr. W. P. Marchment, President;
Mr. Gordon Jones, Chairman, Legislation Committee.

Investment Dealers Association of Canada

Mr. J. J. Kingsmill, Secretary-treasurer;

Also

Mr. Allan Cockeram, M.P.;
Mr. McDonald, M.P., (Pontiac);
H. E. Walters, of The Northern Miner;
J. D. Watt, representing E. K. Williams, Esq., President, Canadian Bar Association;
John H. Roberts, Editor, The Northern Miner.

The Committee began consideration of the Extradition Treaty and Protocol thereto, signed in 1942 between Canada and the United States.

The Chairman informed the Committee that the following witnesses were present:—

1. Mr. J. E. Read, Chief of the legal division, External Affairs department;
2. Mr. Arthur Slaght, K.C., Toronto;
3. Hon. P. Brais, K.C., Montreal.

Mr. Slaght stated that he represented the following:—

- (a) The Toronto Stock Exchange;
- (b) The Winnipeg Stock Exchange;
- (c) The Calgary Stock Exchange;
- (d) The Vancouver Stock Exchange;
- (e) The British Columbia Bond Dealers Association.

and that Hon. P. Brais, K.C., Montreal, was representing the Montreal Stock Exchange and the Montreal Curb Market.

He also stated that Mr. Ralph Salter, K.C., was representing the Ontario Security Dealers Association and that Mr. René Chênevert, K.C., was representing several Quebec mining companies.

Mr. J. E. Read was called and made a statement on the negotiations leading to the Treaty on Extradition.

He tabled, as requested, copies of a consolidation of treaties in effect in 1942 between Canada and the United States which were distributed. He also tabled three copies of a Treaty on Extradition between the United Kingdom and the United States dated December 22, 1931, and agreed to have photostat copies made.

He agreed to table correspondence from the Bell Telephone Company opposing the Treaty.

Mr. Read also promised to give information relative to the procedure for the selling of Canadian bonds on the New York Market, etc., including figures on cost.

Mr. Arthur Slaght, K.C., was called and voiced his objection on behalf of the Stock Exchanges.

He tabled for the information of the Committee letters of protest from

1. Toronto Board of Trade;
2. Ontario Mining Association.

He referred to the opposition expressed by the Canadian Bar Association and the Ontario Government.

The witness was examined and retired.

After discussion, the Committee adjourned until 4.00 p.m. this day.

AFTERNOON SESSION

Room 268

The Committee resumed at 4.00 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudry, Benidickson, Boucher, Bradette, Coldwell, Fleming, Fraser, Adamson, Hackett, Jackman, Jaques, Kidd, Jaenicke, Leger, Macdonald (*Halifax*), Marquis, Marier, Sinclair (*Ontario*), Tremblay, Dechene. (20).

Owing to the departure for England of four members of the Committee, the Chairman gave the names of members who replaced them on the Steering Committee as follows.

- Mr. Marier in place of Mr. Picard;
- Mr. Fraser in place of Mr. Graydon;
- Mr. Dechene in place of Mr. Winkler;
- Mr. Jaenicke in place of Mr. Knowles.

The Committee resumed its consideration of the Extradition Treaty.

Mr. Slaght was recalled and examined particularly on Art. III, section 32, and Art. XII of the Treaty.

He suggested among other things that the Treaty might be placed before the Dominion-Provincial conference to be held on November 26 next.

The witness informed the Committee that he would table at the next meeting suggested amendments to the Treaty.

Mr. Slaght retired.

Mr. Joseph Sedgwick, K.C., counsel for the Prospectors and Developers Association of Canada was called.

He read and filed a copy of a letter addressed by J. J. Kingsmill, secretary-treasurer of the Investment Dealers Association of Canada to the Prime Minister and to Hon. Mr. St. Laurent under date of November 1, 1942.

Mr. Sedgwick proceeded with his submission.

Mr. Slaght was recalled and answered a question relating to a proposed substitution of Art. XII of the Treaty and retired.

Mr. Sedgwick retired.

On motion of Mr. Leger, the Committee adjourned until Friday, at 10 a.m.

ANTONIO PLOUFFE, :

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 22, 1945.

The Standing Committee on External Affairs met this day at 10 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: I want to thank the members of the committee for being here so nearly at 10 o'clock. I must tell you the reason why the first notices were for 11 o'clock and the second were for 10; it was that we found out we had so much work to do dealing with the treaty and protocol for the extradition of criminals. Not only will we start to sit at 10 o'clock this morning but I hope we shall also be able to hold our meeting tomorrow at 10 o'clock. We are up against certain difficulties. I have been told that we have only one reporter for today, there are so many other committees functioning. I had hoped and still hope that it will be possible for our meeting to last all of three hours and we may even have to sit next week. The steering committee had a meeting yesterday in my office. Personally, I believe we should try to do all we can to terminate the enquiry with regard to the treaty. Of course, it will be left to the steering committee.

The first gentleman we will call upon to speak will be Mr. J. E. Read, legal adviser of the Department of External Affairs. Then I will call upon Mr. Slaght whom all of you already know; at least the old parliamentarians do. I will ask Mr. Slaght, before he begins to make his presentation, to present the people in the back of the room who are here as witnesses. I suppose you know most of them personally. After Mr. Slaght has delivered his brief, he will be open to questioning. After Mr. Slaght we will have Honourable Mr. Brais, legislative councillor of the province of Quebec who will also present a brief. I believe it will be in order that first, when the brief is presented by the witnesses or by the persons who present them, they will be allowed to present them without any questioning. After that it will be absolutely wide open.

Again I thank the members of our committee for being here so promptly. It is a problem at the present time to get a quorum. I know that some of you may have to leave in an hour or an hour and a half; but I would ask you to remain if possible so that we will have a quorum here to deal with this very important question in which the whole of Canada seems to be very highly interested. I will now call upon Mr. Read.

Mr. READ: Mr. Slaght suggested that he might mention the names of the people who are here before I begin.

The CHAIRMAN: That will be fine.

Mr. ARTHUR G. SLAGHT, K.C.: Mr. Chairman, for your convenience and perhaps for your record I will indicate those persons and organizations that are here represented, that I know of. There may be others.

In the first place, the Toronto Stock Exchange is represented by its president, Mr. J. B. White. Would you, stand up, Mr. White? The past president, Mr. W. G. Malcolm of Ames and Company is also here. The vice-president, Mr. R. J. Breckenridge is here. A past president and member of the management committee, Mr. F. J. Crawford is here. Then there is the executive manager, Mr. Arthur Trebelcock. In addition to the Toronto Stock Exchange—and I may say I am representing them, or to assist in representing them here as their counsel, the Winnipeg Stock Exchange, through A. B. Flett.

their president, has asked the Toronto Stock Exchange to ask me also to present their views and there is a telegram there from them in which they express their views strongly; you may want to hear it later on. The Calgary Stock Exchange, through Mr. L. Phillips, their president, desire to be represented here in the same way through myself, in the Toronto Exchange brief. The Vancouver Stock Exchange, through Mr. K. L. Patton, the president, desire to be represented in the same way. The British Columbia Bond Dealers Association, through Mr. Ross Watson, the president, desire to be represented in the same way. Then my friend, the honourable Philippe Brais, K.C. is here for the Montreal Stock Exchange and the Montreal Curb Market. I may say to you that the stock exchanges we represent constitute all the stock exchanges in Canada. Then the further parties here that I can indicate are the Prospectors and Developers Association of Canada represented by Mrs. Viola McMillan as president and her husband Mr. George McMillan as secretary-treasurer. Mr. McMillan is a prospector who has spent a good deal of his life in prospecting. Mr. Joseph Sedgwick, K.C., who is known to all of you, is here as counsel for that association. Then the Ontario Security Dealers Association are here represented by their past president, Mr. Gordon Jones. I am not sure that he is in the room but he will be. Is Mr. Jones here? And their counsel, Mr. Ralph Salter, K.C., will assist us in presenting their views. Mr. Rene Chênevert, K.C. of Montreal is here representing a number of Quebec mining companies a list of which perhaps you can have later on. That is all the representations that I can inform you about, Mr. Chairman. There may be others.

The CHAIRMAN: Thank you, Mr. Slaght. Is there anybody in the hall who has not been named as yet, and who is to appear as a witness?

Mr. SLAGHT: I should have added the name of Mr. Sidney Norman who is a mining specialist, and has been connected with press work for many years.

The CHAIRMAN: Are there any others?

Mr. SLAGHT: Mr. Chairman, the Investment Dealers Association of Canada is to be represented here by Mr. J. Kingsmill, secretary. He is not here yet because he was under the impression that the meeting was to commence at 11 o'clock, but I believe that he will appear shortly.

The CHAIRMAN: Very well, I shall now call upon Mr. Read.

JOHN E. READ, Legal Adviser to the Department of External Affairs called.

The WITNESS: Mr. Chairman, I am not going to appear for anybody who is opposing the extradition treaty. But, I gave an undertaking to the Bell Telephone Company of Canada that I would present the committee with copies of the correspondence between the Department of External Affairs and the Bell Telephone Company, in which it objects to the ratification of the treaty and the protocol. I have not such copies available as yet, because it was necessary to use our equipment in order to furnish copies, to members of the committee, of the extracts of the treaty governing extradition between Canada and the United States of America. My understanding is that I have undertaken to furnish the correspondence in question to the committee. Now I take it that the committee wants me to give an outline of the negotiations leading up to the signing of the extradition treaty and protocol and the various points considered in the course of those negotiations, in order to give you the necessary background of information for your study of this question.

By Mr. Coldwell:

Q. What is your official position, Mr. Read?—A. I am legal adviser to the Department of External Affairs, but I appear before this committee, this morning, as I understand it, at the request of Mr. St. Laurent, who regrets exceedingly that he cannot be here himself by reason of another engagement. So, I suppose that what I put before you will be the views of the Department of

External Affairs and the Department of Justice on the matter. But I am really not putting forward any views; I am just trying to discuss the facts in order to enable the committee to form its own judgment in the matter.

Extradition between Canada and the United States of America has been governed by a series of treaties, all negotiated and concluded by the United Kingdom government and extending to all parts of the British Empire. The first was the Webster-Ashburton treaty of 1842, which dealt mainly with boundary questions, but which provided, by article X, for extradition in the case of "murder, or assault with the intent to commit murder, or piracy, or arson, or robbery, or forgery, or the utterance of forged paper." The Webster-Ashburton treaty of 1842 dealt mainly with boundary questions, but, incidentally, it contained article X, which was the first provision of extradition between the United States of America and parts of the then British Empire. In the stencilled copies of extracts from the treaties, article X is printed extensively. What it really did was to provide for extradition in the case of murder, assault with intent to commit murder, or piracy, or arson, or robbery, or forgery or the utterance of forged paper. Then there was a supplemental convention in 1889, by which the scope of the extradition arrangement was widened. Article 1 provided—the provisions of the said article X are hereby made applicable to the following additional crimes: 1. manslaughter when voluntary. 2. counterfeiting or altering money; uttering or bringing into circulation counterfeit or altered money. I do not think I will read the entire list because this supplementary convention is set forth completely in the stencilled document which has been circulated. The supplementary convention is much more like an extradition treaty than the old article X of the Webster-Ashburton treaty, because it contained ancillary conditions for carrying out the scheme. Then, by a series of supplementary conventions in 1900, 1905, 1922, and 1925, we had additional items added, items 11 to 17. They, again, are set forth in the document which I furnished to the committee and it would be just a waste of time to read them over. By the way, in the document in question, I have not transcribed the full text of the supplementary conventions. I have simply transcribed the articles which add crimes. I have not put in the incidental provisions that are of no interest, or at least, I did not think they would be of any interest to this committee, because they do not touch extradition; they just link up the supplementary conventions with the main conventions.

If we examine the series of treaties and conventions, it will be observed that it involves a fairly comprehensive extradition arrangement extending to a somewhat limited list of crimes. It is based on the principle of double criminality; that is to say, in order to extradite a person from, let us say, Canada to the United States, under the old arrangement you must prove criminality under both laws. It is cumbersome and inconvenient, from the point of view of the authorities in both countries who are charged with the responsibility for the suppression of crime. It is so cumbersome and inconvenient that, practically, extradition tended to disappear as a method for dealing with fugitive criminals.

By Mr. Jackman:

Q. Do you mean that double criminality or extradition was cumbersome?—
A. Double criminality made it too difficult to extradite a person. It not only doubled but it multiplied the odds in favour of the criminal.

Q. A man would have to be convicted in this country and also in the requesting country?—A. You had to prove not merely that the facts with which he was charged would constitute an offense under the laws of the requesting country, but also that they were criminal under the laws of the requested country?

By Mr. Boucher:

Q. But only to establish a prima facie case?—A. Yes, only to establish a prima facie case.

By Mr. Jackman:

Q. That principle was too difficult to keep in operation?—A. It was too difficult to make it a practical way by which to deal with the type of mobile crime with which the authorities are now concerned.

Q. About what year would that view have obtained?—A. The urge to improve extradition arrangements came on about the beginning of the war, in the late thirties.

Q. In the late thirties. But prior to that time a man had to be guilty in both the requested country and in the requesting country?—A. Yes.

By Mr. Hackett:

Q. Is it correct to use the word guilty?—A. Guilty of the act as charged, in order to constitute a charge.

By Mr. Boucher:

Q. A prima facie supposition that he might be guilty?—A. A prima facie supposition that he might be guilty. The arrangements were not regarded as being adequate by the governments of the United Kingdom and of the United States of America and a new treaty was negotiated which was signed in 1931. It did not apply to Canada and provision was included for saving the Canadian position under the old series of treaties and conventions. I was asked to furnish copies for the committee, but I could only get three copies of the British treaty for the information of the committee. If you want it very badly, I think I could have photostats made, so that each member could have one.

The CHAIRMAN: I think the members of the committee would like to have it.

The WITNESS: I thought you might prefer to table it for your record.

The CHAIRMAN: Does the committee wish to have it tabled for the record?

Mr. HACKETT: For the record!

The CHAIRMAN: Very well, tabled for the record.

(British Treaty filed with Clerk.)

The WITNESS: In the meantime, there had been important developments in both countries which affected the general problems of extradition of criminals. Smuggling had become a most serious matter both in Canada and in the United States and bands of highly organized smugglers were conducting operations directed against both countries.

Where cargoes could not be run into Canadian ports, they would be diverted to ports in the United States of America, and where persons engaged in conspiracy against the law of both countries were frustrated by the Coast Guard in United States waters, they would run the cargoes into inlets on the Canadian coast. This situation led to the establishment of close relationships between the Canadian preventive forces and corresponding forces in the United States of America, such as the F.B.I. and the coastguard. Similar close relationships were worked out to deal with narcotics. Co-operation has been extended to other matters and it is now possible to say that a closer co-operation exists between the authorities of Canada and the United States of America, who are charged with the suppression of crime, than can be found in any other part of the civilized world. For example, in dealing with the problem of patrol by air, it was not uncommon for an aircraft on patrol to contain not merely United States coastguard operatives, but also the Canadian government preventive forces operative on the same plane. So, if the ship or motor car, or

whatever it happened to be, went one way, the coast guard and the patrol and ground police forces on the United States side would take charge of the matter; but if the motor car or ship went the other way, the Canadian government operatives would control the Canadian forces. So, we actually reached a point where there was almost complete control of smuggling and over a good many types of border crime.

By Mr. Adamson:

Q. When was that perfected?—A. That was in the thirties. It began back, I think, about 1932 or 1933, and it gradually developed and increased.

By Mr. Hackett:

Q. Did not that grow out of an attempt to enforce the Volstead Act?—A. To some extent, but also out of an attempt on this side to enforce the Canadian customs tariff. It was a two-way business. In dealing with criminals, including the lone operator, the highly organized gangs, the greatest handicap is presented by the legal effect upon the position of a criminal which results from crossing an international boundary. In the case of organized crime, the criminal who crosses an international boundary is automatically protected from pursuit of the police. He becomes, from the point of view of the country of refuge, an innocent and law-abiding citizen. He is able to escape the consequences of the crimes which he has committed; in some instances, he is able to continue, in the country of refuge, his criminal activities directed against the country from which he has fled.

By Mr. Boucher:

Q. Is there any provision in this respect, similar to the principle of hot pursuit, as between nations, the pursuit of a criminal within the borders of a foreign nation?—A. I do not think so. I do not think there is anything like hot pursuit as on the high seas. Modern methods of communication have made it legally possible, in the case of gang crime, for criminals to operate, with impunity, behind the screen of an international boundary line. Those charged with the suppression of crime have two means of combatting the mobile criminal. In the first place, there has been extradition; and, in the second, there has been deportation. Extradition under the existing series of arrangements has been so complicated and so difficult that there has been a marked tendency to abandon it in practice. The number of cases involved from year to year is insignificant and bears no genuine relationship to the escape of criminals across the boundary between the two countries. Apart from other technical difficulties involved the application of the double criminality rule makes an almost insuperable difficulty for the authorities responsible for the suppression of crime. Consequently, there has been a tendency to abandon extradition in all cases in which it is possible to deport the fugitive criminal; and, in most other cases, to let the criminal get off scott-free. Deportation may be effective where the criminal escaping from the United States of America is a citizen of that country, or where a Canadian commits a crime in Canada and escapes to the United States. It breaks down in the case of crimes committed by foreigners or citizens of the country of refuge. For instance, if a person commits a crime in the United States of America and then escapes to Canada and that person is not a United States citizen—let us say he is a Canadian or a Turk, for example—then in that case deportation will not work. There is no way by which we can deport a Canadian to the United States. There is no way by which we can deport a foreigner who is not a citizen of the United States of America to the United States. Another objection to deportation is that it is very hard to justify. The accused has no right to appear before a Canadian court and have a judge decide whether he has committed an extraditable crime, and whether he comes within the other principles laid down by the legislative

authorities of both countries to determine the conditions under which a person has to be surrendered to the other country.

By Mr. Hackett:

Q. In regard to the Turk you mentioned a moment ago, if he came into Canada from the United States, couldn't he be sent back to his country of origin?—A. Oh, yes, we could deport him to Turkey.

Q. But you couldn't deport him to the United States?—A. No. The weak point about deportation is that it may be very unjust to the individual.

The inadequacy of the existing arrangements led to negotiations between the Canadian and the United States governments which extended over a period of nearly ten years. As I pointed out, before, the principle urge arose at the beginning of the war, or just before; but the actual start of negotiations was as far back as 1931, if I remember correctly, about the time of the conclusion of the extradition treaty with the United Kingdom. In 1933, the United States government suggested the conclusion of a supplementary convention to make extraditable the offence of the use of the mails in order to defraud. The Canadian government suggested that it would be preferable to consider a completely new extradition arrangement. This suggestion was accepted by the United States government who submitted a draft treaty. Negotiations continued until 1935 but were suspended without any treaty being concluded. In July, 1941, the United States Minister to Canada submitted a new draft treaty for consideration, and negotiations were re-opened. They were concluded early in 1942, with agreement on the treaty as it now stands. On April 29, 1942, the treaty was signed in Washington by the Canadian Minister to the United States, Mr. Leighton McCarthy, and by the United States Secretary of State, Mr. Cordell Hull. On May 27, 1942, the United States Senate agreed to the resolution for ratification, and on June 6, the President of the United States ratified the treaty.

In considering the principal features of the new treaty, it should be borne in mind that it is a type of extradition arrangement which is only suitable where two countries have a long, common frontier, and where the political and legal institutions on both sides are similar in character. It is not of a type that would work effectively, let us say, between Canada and a country with a fundamentally different legal system. A treaty of this sort could be adopted between countries situated like Canada and the United States of America, but it is doubtful if it could be used elsewhere because it is based upon the assumption that both countries are deeply concerned in the suppression of organized crime regardless of technical frontiers. It is designed to be used between countries in which there is close police co-operation and in which, to a substantial extent criminal activities are directed impartially by criminal organizations against the law-abiding citizens of the governments of the two countries. It is based on the assumption that there is a definite Canadian interest in ridding Canada of fugitives from United States justice, as well as in bringing Canadian fugitives back to this country for trial. It is based on a disregard for a precise balancing between the number of criminals who may be extradited to the one side or the other in the case of any particular item, and upon the assumption that it is, in the long run, to the interest of both countries to stamp out crime on a continental basis.

The negotiations have resulted in a treaty containing the following principal features:—

- (a) The treaty consists of fourteen articles of which article iii sets forth the list of offenses which are to be made extraditable. These fall into thirty-three groups. The remaining articles contain certain necessary provisions as to terms, procedure, proof of offenses, and so forth. The matters of particular interest are the deletion of the double

criminality rule; establishment of a new method for provisional arrest, and most expeditious surrender of offenders; and certain additions to the list of extraditable offenses.

- (b) The deletion of the double criminality rule I think I have referred to sufficiently in dealing with the questions which were asked.

By Mr. Jaenicke:

Q. Can you point out to us where it has been omitted?—

Mr. SLAGHT: You will find that in the last part of article 9.

The WITNESS: In article 9 "extradition shall take place if the evidence be found sufficient to justify committal for trial for a crime or offense against the laws of the requesting country. In determining the sufficiency of such evidence, the courts of the requested country may apply the laws of the requested country with regard to the sufficiency of evidence to justify committal for trial in criminal causes. It shall not be essential to produce evidence sufficient to convict the accused person of the crime or offense charged were he placed on trial therefor, and it shall not be essential to establish that the crime or offense could be a crime or offense under the laws of the requested country."

By Mr. Jaenicke:

Q. It is an entirely new principle?—A. Yes, it is an entirely new principle.

By Mr. Adamson:

Q. Would you read the last four lines of that article, article 9?—A. "If the person claimed shall have been convicted of the crime or offense for which his surrender is asked, it shall be sufficient to prove that he is the identical person so convicted in the courts of the requesting country and to produce a duly authenticated copy of the sentence of the court for which such conviction took place." That is, where you are extraditing a convict who has escaped, rather than extraditing a person who has not yet been convicted.

By Mr. Boucher:

Q. Mr. Read, does that involve any requirement with respect to the court from which the judgment is issued? Is there any limitation there?—A. No.

By Mr. Hackett:

Q. Then I suppose a man might even be convicted in his absence of a misdemeanor or an offense in the demanding country and be extraditable even though what he did there would not be an offense in Canada?—A. Mr. Hackett, I am not sure. I should not like to answer that point without first looking into it.

By Mr. Boucher:

Q. It is quite possible that he might be convicted before a justice of the peace in the demanding country of an offense, and mere proof of the judgment, regardless of the court and of the official administering judgment would be sufficient, without any proof of the circumstances under which the judgment was issued?—A. I should think so.

By Mr. Jackman:

Q. This particular article, 9, seems to contain a good deal of the kernel of this whole question. Do we want to go into it now, or do we prefer for Mr. Read to finish his statement?

The CHAIRMAN: I would prefer to have Mr. Read finish his statement and then we can go over the articles one by one, if the committee so decides

By Mr. Jackman:

Q. Will Mr. Read be available at any time?

The WITNESS: I will come at any time that you want me to.

The CHAIRMAN: We can call him again, after we have heard the witnesses.

By Mr. Jackman:

Q. I was just wondering how our magistrates or judges in our courts of first instance are to know what the laws of the requesting country are in order to determine the sufficiency of the evidence?

Mr. BOUCHER: They do not have to know that. Merely to supply the judgment is sufficient.

Mr. JACKMAN: In the first paragraph of article IX: "In determining the sufficiency of such evidence, the courts of the requested country may apply the laws of the requested country." In other words, our magistrates are supposed to know the laws.

Mr. HACKETT: The ordinary rules of proof would apply.

The WITNESS: In the ordinary course it would be necessary to establish, by means of evidence given in court according to the ordinary laws of evidence, given, I should think, by a practitioner of law who practises in the community in question as to what the local legal system is.

By Mr. Jaenicke:

Q. Does not our extradition Act cover that?—A. No, I do not think so.

Q. It may be covered by the Evidence Act.—A. Assuming that the extradition is from this country, the lawyer representing them would be a member of the Canadian Bar.

By Mr. Hackett:

Q. Yes, and he would call witnesses, one of them being a lawyer of the requesting country.

Mr. JACKMAN: That would be the procedure. The United States would ask for extradition against the particular person.

Mr. HACKETT: And they would retain a Canadian lawyer who would muster the necessary proof in order to establish the claim.

Mr. JACKMAN: And they would have a counsel?

Mr. HACKETT: Yes, and the counsel would be the witness.

Mr. JACKMAN: You would have to have some person in Canada who could state what the American law was, and also you would have to have a counsel for the United States government.

Mr. HACKETT: I assume that the United States government would retain Canadian counsel who would, in collaboration with his client summon witnesses necessary to prove the case; and among the elements of proof necessary to establish the case would be the American law; so an American lawyer would undoubtedly be brought to Canada to prove that as a matter of fact.

Mr. JACKMAN: The American law would be provable as a fact.

By Mr. Boucher:

Q. The rules of evidence of the country in which the extradition is sought would prevail, not the rules of the demanding country?—A. No, the Canadian law of evidence would govern. The *raison d'être* of the double criminality rule lies in the fact that there is, in most countries a divergence in legal principles and juridical concepts so that it would offend the sense of justice in the surrendering country to give up all persons whom the other country regarded

as offenders. Where there is no fundamental divergence between the legal systems of two countries, there is no need for such a rule.

By Mr. Jackman:

Q. Why would not the country apply, if you have similar legal systems in the two countries? Why wouldn't the double criminality rule be the easier one to apply in such a case, that is, between two countries where you might have different institutions? For example, take the case as between the old French criminal code that they had before they adopted the English system? That might be difficult as compared to a case between Canada and the United States. Why isn't the double criminality rule more applicable between those two countries?—A. Well, I agree it would be easier to establish double criminality in a particular instance between two countries with similar systems; but the fact remains that the double criminality rule is one that greatly hampers extradition of fugitive criminals. I am not, in any sense, an expert on that point. I simply draw what information I have on that from my colleagues in the Department of Justice and the other department concerned.

Q. But the rule about double criminality would be much harder to apply as between any other two countries than the United States and Canada?—A. Canada and the United States have similar legal systems. There may be and are differences in detail as regards the exact definition of particular offences, but there can be no justification for putting a hindrance in the way of extradition simply because of their existence. Consequently, in recognition of the fundamental agreement of the two nations in their ideas of justice, and in order to remove unnecessary delays and defects in extradition, the double criminality rule was dropped in the new treaty. In future, it will be sufficient for the country seeking extradition to show that the act involved constituted an extraditable offence in the place where it was committed and that there is sufficient evidence to justify committal for trial. That is, of course, assuming the adoption of the treaty. Now, as to provisional arrest and waiver of extradition proceedings, experience in extradition of offenders has shown that in many cases the cumbrous procedure of making a formal request for extradition before an offender is arrested has enabled the person in question to escape. This weakness has been particularly perplexing in connection with the narcotics traffic. So article XI of the treaty introduces a new procedure under which provisional arrest can be sought at a moment's notice by the country from which the offender has fled. By this means the escape of many criminals will be prevented. If a formal order for extradition is not presented within two months following the request for provisional arrest, the person who is being held must be released. Extradition has thus been made more certain and more expeditious.

Another innovation to augment the efficiency of its operation is also included in article XI, namely, the provision that a person arrested with a view to extradition may elect to return to the country where he committed his offence without waiting for committal to trial for extradition. This can only be done with the consent of the authorities of the country in which the arrest took place. Its effect will be to enable offenders to have themselves brought immediately for trial for the offence for which they are charged, rather than spend a month or more in the process of extradition. For the authorities in both countries it will mean a saving in the time of judges and officials, and a great reduction in the cost of the whole process.

By Mr. Hackett:

Q. There is nothing new in that?—A. Well, with regard to the Department of Justice, there have been means of reaching the same results. This change was made at the request of the Canadian Departments concerned; in article

XI the change was made in order to legalize a practise of doubtful authority, if I may put it that way.

The principle new extraditable offences, items of greatest interest, are:

"26. Using the mails to defraud." This was introduced to enable the United States government to get at cases of fraud which would otherwise have to be dealt with by the various states, if at all. So far as Canada is concerned it adds nothing to item 20 which covers "fraud".

"31. Crimes or offences against the laws for the prevention of fraud in the sale or purchase of securities".

"32. Crimes or offences, if indictable against the laws regulating (a) public securities, markets, or activities affecting such markets;

By Mr. Boucher:

Q. By the way, does that mean public securities markets? I see a comma, between the words securities and markets. Does that indicate anything?—

A. Yes, public securities markets, or activities affecting such markets;

By Mr. Jackman:

Q. May I refer to what you said a moment ago: When double criminality was done away with, it was only necessary to prove that the offence was an extraditable one where the offence was committed. Those of us who are not familiar with the criminal law might like to know: whether the offence committed is where the accused person is, or might it be an offence committed, for example, at the other end of a telephone line running across to the States? So, where is the offence committed under this treaty? It is in both countries? —A. Well, I am coming to that. I think it would save time if I did not deal with that point just now.

The CHAIRMAN: Yes, keep notations of that point and get on with your brief.

The WITNESS: I am not certain if that comma that was mentioned was in the original treaty. I am going to check it up with the original document.

Mr. HACKETT: Securities and markets are two distinct things.

Mr. SLAGHT: Yes!

The WITNESS: Very considerable objection has been taken by various groups and persons in Canada to the inclusion of items 31 and 32 in the new treaty. I should also add No. 26, use of the mails to defraud. Objections have been put forward by a large number of Canadian business men, firms, corporations and associations, including the stock exchanges, associations of dealers, lawyers representing clients who are concerned in security transactions, and the Premier of Ontario. There was also an objection which I mentioned earlier, that of the Bell Telephone Company. The objections may be summarized as follows: (a) The offences are not of a type which should be included in an extradition arrangement; (b) It would be extremely difficult for dealers in Canada not to violate some regulations, which would come within item 32, if they carried on any business at all with United States customers; (c) The risk of extradition would make it necessary to cease operations with United States customers, which would stop necessary flow of capital to Canada; (d) There is no reciprocal advantage for Canada in the new items; (e) Due to retroactive features of the Canadian Extradition Act, items 31 and 32 would render persons liable for extradition for acts done in the past which were considered legitimate business practices; (f) Securities legislation is a provincial matter and the federal authorities should not enter into an extradition arrangement making offences against such legislation extraditable or making it effective without provincial legislation; (g) Instead of admitting items 31 and 32 to the treaty, the government should

endeavour to secure amendments to the Securities Law of the United States to permit freer trading in the better grades of Canadian securities; (h) The special position of publishers and vendors of newspapers under items 31 and 32.

I have mentioned those points because they were the background that led to the negotiation of the protocol. The objections were presented to a meeting of a committee of the cabinet in May, 1943, and it was recognized that it would be necessary to negotiate a protocol with the United States government with a view to limiting the operation of the treaty in matters coming under items 26, 31 and 32. There was no doubt, that, assuming an extreme interpretation of the provisions of the treaty, it would subject to extradition business men who were carrying on business in Canada in accordance with the Canadian law, and who were committing technical offences under extraterritorial legislation enacted either by Congress or by the legislatures of one or more states. Further, even the publishers of Canadian newspapers and magazines might have been subject to the provisions of the legislation, as a result of publishing, in the course of ordinary business advertisements for Canadian securities which were not registered in the United States of America. Accordingly, it was recognized to be necessary to impose limitations which would protect legitimate Canadian business interests.

The basis of the protocol was limitation of the operation of the treaty to cases involving either fraud or wilful and knowing violation of the laws of the requesting country; provision that there should be no extradition for offences committed prior to coming into force of the treaty; and protection of Canadian publishers publishing newspapers or magazines for sale and circulation in Canada, the circulation of which abroad would be incidental to the ordinary course of publication in this country.

On the other hand, it was recognized that Canadian business men conducting marketing operations in the United States of America in competition with United States financial firms must comply with the laws in force in the places where their securities were being marketed. Further, it was recognized that there was no likelihood of negotiating any arrangements whereby Canadian securities could be freely sold in the United States without complying with the requirement imposed for the protection of investors in that country. That was the basis for the negotiation of the protocol.

By Mr. Hackett:

Q. Can you tell us why the telephone companies and the telegraph companies were not put into the same category as the newspapers?—A. The reason was this: that there was never, at any time, a suggestion to the government that they were covered in any way by the extradition arrangement. The suggestion was made for the first time a fortnight or so after the protocol had been established. In the negotiations between the United States government and the Canadian government there was never any suggestion by anybody that the type of transaction illustrated, let us say, by the Bell Telephone Company in its ordinary way of doing business could possibly be regarded as the commission of an offence within the United States of America and be covered by the treaty. My own personal opinion, and I offer it for what it is worth, is that there is no serious legal argument to that view. However, if the case arises, the problem will arise and will have to be dealt with.

By Mr. Marier:

Q. You do not think there would be any offence by the Bell Telephone Company?—A. Yes, I would if the Bell Telephone Company should market its shares in New York without registering them. That would constitute an offence.

Q. I know, but I mean in its operations, its business operations?—A. In the ordinary normal operation of the Bell Telephone Company I could not conceive any instance where it would be an extraditable offence.

By Mr. Boucher:

Q. Would you say the same thing with regard to the telegraph companies?—A. The telegraph companies, yes. I may be wrong there, but we have had no complaint of the telegraph companies; but if one arose, it would have to be dealt with.

Q. My own supposition was that the telegraph companies were very much within the scope.

Mr. HACKETT: The distinction there between the telegraph and the telephone companies and the newspaper companies might be a topic for future discussion.

The CHAIRMAN: Yes.

The WITNESS: The point was raised by the Premier of Ontario, when it was objected that the provinces should have a part in the negotiations. It was necessary to bear in mind that extradition is a matter which comes within the competence of the parliament of Canada. I am not going to labour that, because I think it would be improper to do so. But I feel bound to give you the basis under which the negotiations proceeded.

Looking at the protocol, it will be borne in mind that, under paragraph 4, the terms are deemed to have equal force and effect as the treaty itself and to form an integral part thereof. Now, if the treaty and protocol are approved, they will be embodied in an instrument of ratification, which instrument will include both. On the other side, it will be necessary that the protocol be submitted to the senate of the United States of America, if it be approved by the parliament of Canada, and be subject to the same type of ratification as the treaty itself. The difference would be that the United States government would end up with two instruments of ratification while we would end up with one covering both the treaty and the protocol. I think therefor that the treaty and protocol read together must be regarded as being an extradition arrangement within the meaning of the terms as used within the Extradition Act.

Section 3 of the Act provides that, in the case of any foreign state with which there is an extradition arrangement, Part I will apply during the continuance of the arrangement, but no provision of Part I which is inconsistent with any of the terms of the arrangement will have effect to contravene the arrangement, and Part I of the Act is to be read and construed so as to provide for the execution of the arrangement. It is clear, therefore, that the treaty and protocol are paramount and the provisions of the statute are to be read subject to the provisions of the extradition arrangements. The legal position in this respect is different to that which exists in the United Kingdom under the Extradition Act.

By Mr. Boucher:

Q. It will be taken as one instrument?—A. Yes, it will be taken as one instrument and it overrides the statute in case of a conflict. For example, the treaty and protocol provide that there will be no retroactive effect. The statute provides that the extradition arrangement will be retroactive.

By Mr. Hackett:

Q. All subject, of course; to the power of parliament to deal with the subjects with which it is empowered.

By Mr. Boucher:

Q. But, if a different situation should prevail in the United States in that regard?—A. No, in the United States the treaty and protocol, after ratification, will become a part of the law of the land and have direct legal effect. In this country, the treaty and protocol only obtain legal effect by virtue of the provi-

sions of Section 3 of the Extradition Act; but the net result in this case is the same.

By Mr. Hackett:

Q. We are always faced with the question as to whether the subject matter dealt with was within the competency of the contracting parties?—A. I would say that assuming the parliament of Canada is not competent to enact the Extradition Act then the question will arise.

Q. The Extradition Act gives certain rights; but the Extradition Act does not extend the powers of parliament to deal with subjects which may be beyond is competence?—A. No.

Looking at the Extradition Act and the extradition arrangement, reading them together, it will be observed that article 1 of the treaty establishes the foundation for extradition. Looking at it from a Canadian point of view, it is agreed to deliver up to the United States of America those persons who, if accused or convicted of any of the crimes or offenses enumerated in article III committed in the territory of the one shall be found in the territory of the other. The scope of the extradition therefore is limited to cases in which the accused person is found in Canada after having committed an offense within the territory of the United States of America. It is not open to any authority to apply under this extradition arrangement for the surrender of a Canadian business man who is carrying on a transaction relating to securities, notwithstanding the fact that his customer may be resident of the United States of America. On the other hand, it may be possible for a person in Canada, staying on this side of the international boundary line, so to conduct operations within the United States territory and thus find himself subject to extradition, providing of course that he has been guilty of fraud or wilful violation of United States law.

Q. Even though what he has done would not be criminal in Canada?—A. Yes.

By Mr. Jaenicke:

Q. That is only an opinion of yours. You say it may be possible?—A. Yes, I am only giving you my views.

By Mr. Fleming:

Q. I wonder if Mr. Read would read the last two sentences again?—A. What I was pointing out is that article 1 of the treaty limits its operation to offenses committed in Canada and I have attempted to point out that it was not possible under the treaty to extradite a person where the offense with which he was charged was committed in Canada from a territorial point of view. At the same time in order to avoid misleading the committee, I pointed out that it was possible—it certainly was under the decisions of the English court, particularly—for situations to arise in which a person may stay within one country and yet be regarded as committing an offense within the other country.

By Mr. Coldwell:

Q. Provided of course, that he does so wilfully and knowingly?—A. Or fraudulently.

Q. Or fraudulently?—A. Yes, you mean; (a) offenses committed in Canada; (b) fraud, I mean fraud under Canadian law; or, in the alternative (b), wilfully or knowingly violating United States law.

By Mr. Boucher:

Q. Isn't that wilful and knowing violation only limited to the extent that the protocol limits it, but it does not go all the way? In other words, the

protocol does not limit the whole Act, but only certain portions of it?—A. Yes, only in the case of offenses under 26, 31 and 32.

Mr. COLDWELL: Yes, I understand that.

By Mr. Jaenicke:

Q. Have you considered American decisions on that point?—A. No, because the actual decision will have to be a decision by a Canadian judge based on Canadian law to determine whether it comes within the scope of the treaty.

By Mr. Boucher:

Q. Shouldn't there be something in the treaty that would say what court determines the status of the offense? In other words, there may be conflict between the American law and the Canadian law as to where the offence was actually committed. The American law may say that the offence was committed in the United States, while the Canadian law may say that the same offence was committed in Canada. They may both be right according to their respective laws, but inconsistent with each other?—A. Well, on that point I can only say that the Department of External Affairs has no opinion because it is a justice point. But I am quite certain that the views of the Department of Justice are to the effect that it is solely a matter of Canadian law.

Q. Might I not put it this way: A justice of the peace in the state of Nevada, let us say, might very well hold that a bond dealer in Winnipeg had committed an offence within the state of Nevada, whereas the same rank of officer in Winnipeg might say: No, that offence was committed in Winnipeg. So you would have a conflict of the two laws, the finding by a magistrate in Nevada that the offence was committed in Nevada, and the finding of a judge or magistrate in Winnipeg that the offence was committed in Winnipeg. There does not seem to me to be anything in the Act to require consistency of the law with respect to the two states?—A. Well, in that position you might very well have a difference of opinion; but there could be no question as to which opinion would prevail; it would be the opinion of the Winnipeg judge who would decide.

By Mr. Marier:

Q. There could be no possible conflict?—A. There could be no possible conflict.

By Mr. Boucher:

Q. Yes, if the application were made before judgment. But if an application were made after judgment had been rendered in the state of Nevada, then, as I see it under this treaty, there would be no authority in Canada to contradict the finding of the original magistrate, because the evidence of a conviction is positive proof, irrespective of what our situation is. If an accused is tried say in absentia in Nevada and a justice of the peace there gives judgment and they were to extradite the accused after judgment was made, even though in Winnipeg the law would be to say the offence was committed there, in Winnipeg, I could see no way of stopping his extradition?—A. On this point, if I might apologize to the chairman of the committee, with regard to the escape of a convicted person, I have not had an opportunity of discussing that with my colleagues in the Department of Justice. I would prefer to bring Mr. Forsyth down to the committee to discuss that point, or to deal with it himself on a later occasion because it is a point that has never arisen before and it is a little bit awkward.

Mr. FLEMING: I think we should make notes of our questions and allow Mr. Read to read on.

Mr. CHAIRMAN: Yes, that is what we practically decided to do before.

The WITNESS: In order to give an indication of the circumstances that might involve the commission of an offence in a foreign state without being physically there, reference might be made to two cases under the British Extradition Act. In the *Queen versus Nillins*, which is reported in volume 53, *Law Journal*, *Magistrates' Cases*, at page 157, the accused was being extradited as a fugitive criminal within the meaning of the words as used in the British Extradition Act. In the *Queen versus Nillins*, which is reported in volume 53, carrying on business in Germany, inducing them to part with goods and deliver them to his order to certain persons in Hambourg. The views of the court are indicated in a judgment by Mr. Justice Cave on page 158, in which he said, among other things:—

The word used throughout this Act is fugitive criminal, so that if there were no definition we should have to consider the meaning of those words; but the term is expressly defined in section 26 as meaning "any person accused or convicted of an extradition crime committed within the jurisdiction of any foreign state, who is in or is suspected of being in some part of Her Majesty's dominion". It seems clear that the case of the present applicant comes exactly within this section: he is accused of an extradition crime committed within a foreign state; it cannot be seriously contended that he did not commit the crime in Germany; he procured the goods there, he uttered the forged notes there, and, further, they were delivered to the merchant of the port or his agent, and upon these the goods were delivered to his order at Hambourg. It is clear, then, that the crime was committed in a foreign state.

I mention that in giving an illustration of circumstances under which a man may be regarded as having committed an offence in another country.

By Mr. Jaenicke:

Q. Didn't this man go especially to Germany in order to commit the crime?

—A. No, he did it all by post, by correspondence.

Q. He also sent forged correspondence?—Yes. The question was considered again in *The King versus Godfrey*, L.R. (1923), 1, K.B., at page 24. This was a case in which the accused was charged with obtaining goods by false pretenses in Switzerland, the false pretenses being made there by a partner. The accused was not physically present in Switzerland at the time of the offense. It was decided that the accused was a fugitive criminal within the meaning of the words as used in the Extradition Act. No serious question appears to have been raised in this case as to whether the offense had been committed in Switzerland, and it was decided that the accused was a fugitive criminal within the meaning of the definition in the Extradition Act. But it was necessarily held to be a decision that in the circumstances the offences had been committed in Switzerland notwithstanding that the accused was not in the country at any stage.

Q. He was considered to be an accessory?—A. No, as a principal criminal. I will check that point, as I have the report here.

While the decisions in these cases have been subject to a good deal of criticism, it is necessary to assume, for the purpose of considering the arrangement with the United States, that both the *Nillins* and *Godfrey* cases were properly decided. Upon that assumption, any Canadian business man who conducted security transactions in the United States of America through the medium of a partner, agent or salesman within that country would be regarded as coming within the scope of article 1 of the treaty. Similarly, a Canadian business man circularizing or corresponding with customers within the United States of America and delivering securities and taking payment within that country might be regarded as coming within the scope of article 1. In putting forward this view, it will be borne in mind that it is based upon the assumption

that the cases referred to were correctly decided and it disregards the possibility of a distinction based upon the fact that our Extradition Act does not contain any provision corresponding to that which was the foundation of the decision in both of the cases cited. I felt I was bound to put what might be regarded as an extreme view before the committee so that you could see the possible extension of extradition under the arrangement. In between the cases in which proceedings might be brought, and the cases referred to above which could not come within the scope of article I, there are many types of transactions and it would be impossible to draw an absolute line with complete assurance that it would be followed by all of the courts which might be called upon to deal with the matter. It is necessary, however, to bear in mind that, to justify extradition, it is not only necessary to prove that the offense has been committed within the territory of the other country, but it is also necessary to prove that the offense comes within the thirty-three items of article III and that all of the conditions of the protocol have been satisfied.

In considering the position which arose under the treaty and protocol, it should not be overlooked that the extradition does not, in itself, establish criminal offenses. No person can be extradited who would not be subject to criminal prosecution if he crossed the international boundary at any time, even on a fleeting visit. There are many business men who have been concerned about the possible effect of the treaty, but who have not hesitated to visit the United States from time to time for various purposes.

By Mr. Boucher:

Q. You stated a moment ago that to be extraditable they must infringe some of the laws; and that the offense must be committed over there; but in fact, this puts Canadian citizens while still in Canada, in the position of being guilty of a breach of law in the United States?—A. Yes. But bear in mind the great expense and uncertainty of extradition procedure. It is unlikely and almost unthinkable that any one will be extradited when he visits the United States of America either on pleasure or on business. I just point that out.

By Mr. Hackett:

Q. You are advising Canadian ladies to buy their millinery at home?—A. As far as we can judge, according to the practise in recent years, United States authorities are unlikely to institute criminal proceedings, let alone extradition proceedings, except in two cases: persons who are engaged in fraudulent practices directed against United States investors; and United States business men whose proposals have been rejected by the United States authorities and who have fled to Canada to avoid capture or moved to Canada in order to conduct their market operations in the United States of America behind the screen furnished by the International Boundary Line.

By Mr. Boucher:

Q. You say: directed against American Citizens. Could it not be possible, under the Act, that legitimate Canadian business is primarily for Canadians, but might they enter into a contract with an American citizen and thus infringe the American law, thereby making the Canadian people extraditable, even though it might be a secondary part of their business?—A. I think it should be possible to conduct your business in such a way as to prevent your being subjected to extradition.

Q. Suppose the main business of the company was in Canada, and it solicited business in Canada. But their solicitation might reach the United States with the result that a contract would be affected there, leaving them extraditable even though it was an ancillary part of their business?—A. I think business could be conducted in that way so that it would come within the

scope of the treaty; but I would not go so far as to say that it was not possible, or even easy to conduct legitimate Canadian business with United States customers without coming within the scope of the treaty.

Mr. COLDWELL: Are we to have a general discussion now?

The CHAIRMAN: No. Proceed with your brief, Mr. Read.

The WITNESS: I beg your pardon, Mr. Coldwell. I have just one more paragraph to deal with. Having these points in mind, it is desirable to look at the general position which would be established upon the ratification of the treaty and protocol. It may be summarized as follows:—

First: An extradition arrangement would be established which would be simple and effective and which should help in the suppression of crime in both countries.

Second: The position of Canadian business men engaged in the marketing of securities in Canada would be absolutely protected, whether their customers resided in this country or abroad.

Third: The position of Canadian business men engaged in the marketing of securities in the United States of America would be protected in the absence of either fraud or the wilful and knowing violation of United States law.

Fourth: The position of Canadian publishers publishing in Canada would be absolutely protected notwithstanding incidental circulation in the United States.

Fifth: The extradition arrangement would have no retroactive operation. Now, Mr. Chairman, I have attempted to deal with the basis of negotiation and I may say that, in the course of my discussion, I had to give you what were my own personal opinions so I want you to bear this in mind, that there is a certain amount of difficulty. I have attempted to put everything before the committee the way we thought about it when it was being negotiated, and with complete frankness. I do not want you to think I was putting forward my opinion on anything, because a civil servant is not supposed to have any opinions.

By Mr. Fleming:

Q. I have a general question to put to Mr. Read. He has indicated certain changes in the present law. Is he in a position to tell us which of the changes are expected to benefit Canada, and which changes are expected to benefit the United States?—A. I think I would need to go over my documents. I should like the committee to bear in mind that in the negotiations, I do not think anybody on either side was thinking about a benefit either way. They were thinking of the arrangement as being an attempt to work out a scheme for the suppression of continental crime and we were not adding up this item and that item. But I could put on the records for the committee which points were put forward by us. The point about the abolition of the double criminality rule came from a Canadian source; and the other point about provisional arrest and security came from a United States source. Smuggling came from both sources. I could not say which was first in the case of smuggling, but the pressure was there from both governments.

Q. The section relation to security sales, the proposals to that section were in the United States?—A. Entirely.

By Mr. Fraser:

Q. Mr. Read will be coming back for further questions?

The CHAIRMAN: I believe it is the wish of the committee that he be recalled.

By Mr. Coldwell:

Q. What occasioned the suggestions from the United States regarding Canadian securities? Can you tell us that?—A. I can, if I may be allowed to talk off the record.

Q. I think you should be permitted to speak off the record.

The CHAIRMAN: Off the record would be the prerogative of the witness, Mr. Read?

By Mr. Fraser:

Q. I might say, in all fairness to Mr. Read, that there are many more people here than are members of the committee.—A. Oh, I would trust anybody in this group.

By Mr. Coldwell:

Q. I think we should try to get a clear idea of what this treaty and protocol is trying to do. Mr. Read stated that certain suggestions came from the United States regarding certain conditions.

At this point the discussion took place off the record.

Mr. HACKETT: It has been pointed out that there are quite a number of people here from a distance. I wonder if the committee would not think it fair to let them be heard first then we could talk this matter over to-morrow or the next day.

The CHAIRMAN: I believe your point to be well taken. The department has given its view of the point through one of its permanent officials, and I am glad of the fact. We do not expect Mr. Read to be here at all our sittings, but he may be called again at one of the final sittings. So I thank you very much, Mr. Read, for your fine brief and the information you have given us to-day. Now I believe it would be in order to call Mr. Arthur Slaght.

Mr. Read retired.

Mr. ARTHUR SLAGHT, K.C., called.

The WITNESS: Mr. Chairman, before I present the views of my clients, I would like to add for the information of your committee so that your secretary may record the fact that from the outset there are some organizations who have made representations which I did not give to you before; so if you would have the reporter set out their names in the earlier part of the record to-day. In the first place, the Board of Trade in the city of Toronto have forwarded to the Minister of Justice a strong opposition to the treaty. I do not propose to give you their views, but I would suggest that Mr. Read make available to this committee, at a later stage, the views of the Toronto city Board of Trade. Secondly, the Ontario Mining Association have already made strong representations which they sent to the Minister of Mines and also to several members, I believe, of this committee and of the Senate committee, and perhaps, at a later stage the opinion that they secured from their counsel and forwarded for use in this committee. That might also be produced by Mr. Read and made available to the committee. I have a copy of it, but it is off my line and I do not want to discuss it.

By Mr. Fleming:

Q. There is no Senate committee seized with this question?—A. No, not at the moment, but you will recall that there was set up a Foreign Relations Committee of the Senate. Its name differs from the name of this committee, but I take it that its duties will lie upon the same lines in the other place. I have been told or it has been suggested to me that the Senate will refer this matter, if it goes there from the House, to that committee over there. The Canadian Bar Association filed a protest, some considerable time ago. I have

no copy of it, but if Mr. Read would make it available to this committee later, it might be helpful. Mr. Read also mentioned to you that the Ontario government filed a protest some considerable time ago.

By Mr. Hackett:

Q. Do you represent the Ontario government?—A. I do not; but I am going to suggest, and I should say that I think it was at a time when the present Ontario government was not in office. But, through the Attorney General, I understand, Mr. Conant, a strong representation was made to the Justice department which I would like to ask Mr. Read to make available to this committee. In this representation I understand they question the right of the Federal government to deal with these matters in section 32, on the ground that they were exclusively in the field of each province. I would suggest that this committee might feel this to be a matter to go before the Dominion-Provincial conference about to be assembled, although they have plenty to do without it. With that explanation, I would, on behalf of my clients, first express their thanks to the Minister of Justice for having referred this matter to your committee. There was a question as to whether or not it should be. My clients urged that it should come to you, and the minister has very kindly referred it now. He made two statements in parliament which I think show the spirit in which he wants you to consider this matter. He said on one occasion: "No citizen of Canada would be denied such right, that is, the right to appear before this committee and make representation. He also said in parliament that ratification of this treaty and protocol is no idle formality.

We want to thank him for throwing open the matter in that national spirit. We would also express our appreciation to the Prime Minister who is, at the present time, Minister of External Affairs, for co-operating in having it referred to this committee. This treaty which was negotiated in 1942 was signed at Washington by our then ambassador, Mr. Leighton McCarthy, and by Mr. Cordell Hull, both gentlemen of high standing who exude virtue. I might say, and I venture to say, that they never had anything to do with an extradition case in their lives, and some criticism of the treaty that was then verified may strike you by reason of that fact. Now, we take this position: that this treaty is of very great importance and that, while on the surface, to the man on the street, the terms of an extradition treaty might seem primarily for lawyers and for justice departments, we submit to you that it goes very much farther in that it will be brought to bear, partly corroborated I think by Mr. Read's statement, that security dealers would find it very difficult to market Canadian securities there after this treaty becomes effective. Our submission is that it will bring about a radical and disastrous change in the entire fiscal policy between Canada and the United States that has prevailed for fifty years, whereby heretofore, United States capital has been free and glad to come into Canada to help us develop our great natural resources. Canada does not have to apologize for seeking financial assistance from the United States for such a purpose. We say that the provisions of the treaty and the protocol, if approved by parliament, will be revolutionary in shutting off the flow of United States capital into Canada, and depriving United States citizens of those rewards which in the past they have enjoyed in a stupendous way because they have had the courage to invest their dollars to assist in the development of this small-populated country of ours with our great natural resources. Great rewards have ensued to them. I put them forward now so that we may see the result that may flow, quite aside from lawyers busying themselves about the exact proceedings of a court. We think it will prejudice gold mining, base metal mining, strategic metal mining, newsprint and paper production, lumbering, forestry, plastic and chemical production, oil refining, the rubber industry and every type of industry in this country. So many of the industries in this country are industries that deal with the develop-

ment of natural resources. Our country of 11,500,000 needs no apology for seeking United States capital in part to help us with our industries. Our submission is that while this committee might deal with the matter under the head of external affairs, it reaches away beyond that. It is a problem which ought to be considered first by our Department of Trade and Commerce; and next, by our Department of National Revenue; next by the Department of Finance; next by the Department of Labour; and next by the Department of Agriculture; then by the Department of Justice and last, but not least, the Department of Mines and Resources. We do not know whether, aside from External Affairs and Justice, any of these departments have been invited to examine this problem and to pass upon it. I would suggest with great respect to Mr. Read that possibly during the deliberations of this committee that the deputy ministers of these departments might be communicated with. The view I am going to present has to do with the effect it will have on the fiscal relations with the United States. Now, my friends Mr. Sedgwick, K.C., and Mr. Salter, K.C., will deal with certain points and the reason for this later. As to the reason why we say it will cut off this flow of capital; I know of a case where in order to get securities registered with the S.E.C., in Philadelphia, a sum of money, \$50,000, had to be paid to get the securities registered. Now, if you do not get your securities registered, and if you attempt to market them, you thereby become a criminal and you may be taken over there and tried. I do not want to take up too much time, but I represent all but one of the stock exchanges in Canada.

I think you may bear with me because I have collected some figures that I believe are useful in the problem you have got to determine. I won't give you statistics generally, but I have condensed them with respect to three types of natural resources where United States money has played a dominant part in enabling these particular natural resources dealt with by these companies to be developed in Canada. Some of the data I shall give you has been furnished to me. Some of it I secured from the Mining Handbook for the year, and from the Security Handbook, published by the *Financial Post*. Some of these figures I have not been able to check carefully, but I would put it to you this way: that you may regard these as approximately correct, and if, after checking, anyone finds anything wrong, I should be happy to be corrected in that respect. A partial list of Canadian corporations which, during the past few years have been supported partly or wholly by investments of United States are: The International Nickel Company of Canada, Limited. Its head office is at 67 Wall street, New York city, and Robert C. Stanley of New York is the chairman and president. I have taken the valuation of their issued securities as being of the market value of \$573,000,000 odd. That money came to Canada to develop that great nickel industry from the United States, not all of it possibly, but a great part of it. Now, the dividends paid by that company—and here is where I am putting in a word for the American investor—the dividends paid by that company to United States citizens and to Canadian citizens up to December 31, 1944, over the period of years, were: \$440,000,000. The number of employees of that company in Canada, as of December 31, 1944, were 21,881. 21,000 Canadian workers are working in those subsidiaries of the International Nickel Corporation. I would next call your attention to the Hudson Bay Mining and Smelting Company Limited, at Flin Flon, Manitoba. Mr. Cornelius C. Whitney, New York, is the chairman of the board. Mr. R. H. Channing of New York is the president. That was practically all American money. Any member on this committee from Manitoba can bear me out as to that. Their present securities amount to \$90,000,000, and they have paid in dividends to December 31, 1944, \$46,000,000. I am giving you millions only, and I have chopped off the exact figures. The town of Flin Flon, Manitoba, with about 8,000 population, has grown up entirely as a result of this investment. They built a power plant alone that cost them

\$3,000,000. The next company is Dome Mines Limited, at South Porcupine, Ontario. Clifford W. Mitchell, New York, is the president and treasurer. Their issued capital amounts to \$55,000,000 and total dividends paid to December 31, 1944, are \$58,000,000. Now, I mention Wright Hargreaves Mines Limited, Kirkland Lake, Ontario. Mr. Edwin L. Miller, of Buffalo, New York, is the president, and Mr. William H. Wright of Barrie, and Mr. James Y. Murdoch of Toronto, are members of the board. The company is partly Canadian and partly American owned. Their issued capital is \$25,000,000, and they have paid in dividends, \$42,000,000. Teck Hughes Gold Mines Limited, Kirkland Lake, Ontario. Mr. Albert W. Johnson of Greenwich, Connecticut, is the chairman of the board. Their issued securities amount to \$25,000,000, and they have paid in dividends, \$40,000,000. Lamaque Gold Mines Limited is a subsidiary of Tech Hughes Gold Mines, Limited. Their issued capital is \$24,000,000 and they have paid total dividends of \$8,000,000. Buffalo Ankarite Gold Mines Limited at South Porcupine, Ontario. Their issued capital amounts to \$4,000,000, and their total dividends \$2,000,000. Sigma Mines (Quebec), Limited, at Bourlamaque, province of Quebec, has an issued capital of \$14,000,000 and total dividends paid of \$2,880,000. Lake Shore Mines, Limited, I know something about because I incorporated it in a little back office in Haileybury, thirty-one years ago. They have three American directors, Mr. C. Max Hilton, Greenville Junction, Maine; Mr. Walter Foskett, West Palm Beach, Florida, and A. L. Wendy, Buffalo, New York.

A great deal of American capital came here originally. I might tell you a story. Two years after we started, we owed the bank \$75,000 and we were faced with bankruptcy. We tried Toronto and we couldn't get a dollar in Canada. So, we got a special car which we ran out from Buffalo. Some wealthy friends came up to the mine and we sold them 500,000 shares at 32½ cents a share. That furnished sufficient money to build a sixty-ton mill, and to pay off our bank and it prevented us from going into liquidation. That was all American money. Some of those gentlemen have their shares yet. Some shares have been sold as high as \$64, an all time high. Those figures which I have given you with respect to those mining companies show that there are at present outstanding securities valued at \$855,000,000. Added to that they have paid \$731,000,000 in dividends. There are many other types of securities and I will only be a minute with them. There are paper and newsprint companies in which there is substantial United States capital operating here. First, there is the Canadian International Paper Company Limited. Their securities have a market value of \$40,000,000. Their net earnings in 1944 were \$10,000,000. Then there is the Abitibi Power and Paper Company with which, as many of you know, I have had a great deal to do in the past five years, with their reorganization. Their securities are now \$82,000,000 and their net income for 1943 is \$10,000,000. The Minnesota and Ontario Paper Company investment securities have a market value of \$12,000,000 while their net profit in 1944 was \$1,000,000. Powell River Company Limited, fixed assets valued at \$22,000,000 and net earnings for 1944 of \$6,000,000. The Brown Company of New Hampshire, outstanding securities at market value \$27,000,000, and net earnings for 1944, \$3,000,000. Ontario Paper Company Limited, is a wholly owned American flotation, with a capital of about \$12,000,000. It is a private company and I can give you an estimate only. The Baie Comeau Paper Company have an estimated investment, wholly United States owned, of \$12,000,000. Then the Spruce Falls Paper Company Limited, which is fifty per cent United States owned has an estimated capital of \$10,000,000. Finally the Marathon Paper Company Limited has an estimated capital of \$10,000,000. The total capital at present day market valuations (partly estimated) of the above nine companies is \$216,000,000.

The Imperial Oil Company Limited; the market price of their securities at the present time, and it is almost wholly American owned, is \$480,000,000;

and their income last year from Canadian business alone was \$22,000,000. The British American Oil Company Limited, which owns four Canadian refineries, has a capital valuation of \$62,000,000, while last year's earnings from Canadian operations alone were \$8,000,000. McColl Frontenac Limited, \$29,000,000; Canadian operations last year; \$5,000,000. Goodyear Tire and Rubber Company of Canada Limited, \$31,000,000; and profit after income tax was \$2,500,000. Now, the total invested capital at present market prices of the four above companies is approximately \$693,000,000, while their annual income from Canadian business only last year, amounted to \$38,000,000. A summary of the eight mining companies above listed shows a total of \$855,000,000; a summary of the nine news-print and paper companies shows \$216,000,000; and summary of the three oil and one rubber company shows a total of \$603,000,000, while a grand total of the twenty-one companies amounts to \$1,674,000,000.

I have not had time to assemble a detailed record of the many thriving Canadian towns and communities—centres of population—whose residents are employed by these twenty-one companies. I can give you two off-hand—Flin Flon, in Manitoba, and Copper Cliff, Sudbury, and other small communities where International Nickel and their payroll constitutes the life blood. I have not been able to assemble for you the wage payrolls of these companies, nor their purchases of food raised by Canadian farmers; nor their plant, equipment and products manufactured by Canadian manufacturers. These figures would be astounding in their total—if someone had the time to compile them. Nor do these lists purport to be a complete record, there are many, many more industries that could properly be added to the list. I have by no means given you complete records. You could probe deeply into the figures, if you delved into companies where American capital predominates. That is not part of my task; but I wonder if, as a result of what you hear about this treaty, and the matters to which I will take exception, you will not ask yourself, at this very important committee—I think it is the first year that we have had an external affairs committee—whether our treaty making technique in Canada ought not to be reviewed and altered radically. I am going to suggest that that is something you may want to put in your report before you are through with your duties at this session. We are making provision for distinct Canadian nationalism by means of a Canadian flag. We are now out of our swaddling clothes. Mr. Martin's bill, I fancy, will go through. We are adopting a national status. Is this the time to make it practically impossible to bring in American money to develop our resources? Do we realize that there are grave problems of possible unemployment and depression which none of us in Canada wish to see increased in the next few years. Am I right in saying that the effect of it will be practically what I have told you. Some of my colleagues will deal with that more effectively than I can.

There was a declaration on the subject of treaty making and trade treaties which I have extracted from the *Hansard* of February 8, 1932, volume I, page 46, which was pronounced on the floor of the House during a debate on the suggested treaty for the approval of the St. Lawrence waterways. May I read you that extract and suggest that I believe that ninety-five per cent of this committee will concur and make a very very valuable contribution in your report to parliament that, in the hereafter, we should proceed along these lines. This is what was said:—

There is one thing which I should like to ask my right honourable friend, and it is this: I attach to it great importance. If, as we are led to believe, not so much by the speech as by what has appeared in the press recently, the negotiations are looking to a treaty at an early date between the United States and Canada, will he undertake to see that the house is apprised of the proposed terms of the treaty before any treaty is formally entered into between the United States and

Canada on the St. Lawrence waterway. I think I am justified not merely in making the request that he should agree to that, but in saying that such is the policy which ought to govern in a great transaction of that kind. It will serve no useful end, either to the project itself or to good relations between this country and the United States to have before the fullest discussion a treaty brought into the House that has been signed by the administration of the day and the House of Commons told that that treaty must be passed or that we shall be defaulting in our international relations. In a matter as momentous as this the House of Commons should be given all the information that can possibly be given as to the terms of a proposed treaty before the treaty itself is signed. I think the government should be authorized by resolution of the House of Commons to sign a treaty on lines to be indicated before any signature should be permitted to be placed to it. That was the position which the Liberal party, when we were in office, took with respect to this very matter of the St. Lawrence waterway, namely, that before the House was committed to any treaty, we would see that a resolution of the House would pass authorizing the administration of the day to sign a treaty. I say to my right honourable friend that the people of Canada will expect that much will be the course which he and his government will adopt.

We are thirteen years along the road from 1932. The last thing I want to do, gentlemen, is to raise any political aspects whatever in our consideration of this. This is an all party committee and I believe it is a national question you are dealing with here. I have run through *Hansard* and I do not think that the then leader, Mr. Bennett, took any exception to what Canada ought to do in the future. Our prime minister in 1942 was up to his neck in most important matters in the conduct of this war and I do not know how much time he could be expected to give to the matter of an extradition treaty that was signed by Mr. McCarthy and Mr. Hull down in Washington. I say there is no political thought in my mind in trying to make my views clear to this committee.

Mr. COLDWELL: What department made that treaty?

The WITNESS: That would be the External Affairs Department.

Mr. COLDWELL: Who was the minister?

The WITNESS: The prime minister, I take it. I think he has been the minister of External Affairs throughout the course of his administration. That is my understanding and I think you will find it to be correct. I would like this committee to note the following point well. We have no dominion or federal securities act such as the S.E.C. in the United States. But all our nine provinces, and I have got all the statutes from the nine provinces across Canada, have securities Acts. Some provinces call them securities acts. We call it security act in Ontario. On the other hand some provinces give it another name. But each province has invaded the field falling within its exclusive jurisdiction "property and civil rights", by laying down, in their province, rules for the conduct and the marketing of securities and how it may be carried on in that province. I would suggest to you, before conclusion, that this treaty is *ultra vires* of the power of the dominion. I would note the fact that each province has invaded the field by controlling the matter of marketing securities in the province and advertising securities and I would suggest that the federal government under the guise of extradition cannot invade that field or cloak themselves in so doing by making an extradition treaty. That is the jurisdiction to which the provinces are entitled.

By Mr. Boucher:

Q. You suggest the way a treaty should be signed from the statement which you read. Could you give any information as to what proceedings were taken with respect to this treaty? Was it submitted to the cabinet before signing?—A. Mr. Read would know more about that, I think, because he had something to do with it. If I knew I would gladly tell you. I do not. That, of course, has nothing to do with us here because we are now faced with a treaty that has already been signed, subject of course to constitutional ratification. So when I quote the minister's generous statement that it is not an idle formality that I ask of you to-day in approving this treaty; you are not asked to sign it on the dotted line because we would be disturbing friendly relations with our neighbours. We can surely go to them and say: "The parliament of Canada believe there are matters in this treaty that should be gone into again in a friendly way."

By Mr. Hackett:

Q. Even if it were ratified, you do not argue it would cure the constitutional difficulties?—A. I said: if Mr. Read produces for us the brief filed by the province of Ontario, it should be very easy to submit a stated case to the Supreme Court of Canada in order to find out whether this treaty, as it now stands or as amended, as an amended treaty and protocol is constitutional or not. I would ask you to embody in your report a recommendation to the House that this amendment be secured from our friends. Then, if that be done, I think we would cure the lack of constitutionality that I believe exists in the document, as it exists in its present form. I would like to give you a case so that you could read it, because it throws light on this very point. The case is: "The Attorney General of Canada against the Attorney General of Ontario", L.R., Appeal Cases, 1937, beginning at page 326. That was an appeal to the privy council on appeal from the Supreme Court of Canada as reported in 1936 S.C.R. on page 461. It is a lengthy case and I am not going to burden you with it, but I think it is worth reading. It was sought in that case to hold as *intra vires* certain legislation because the legislation was enacted in accordance with the Treaty of Versailles of 1919, to which, we were a party. The subject matter involved in that case was three statutes dealing with labour matters and the legislation was held to relate to matters coming within the class of property and civil rights within the provinces. That was the issue. Can the dominion, because it signed the Treaty of Versailles override the provinces? Can the dominion deal with labour conditions which are purely property and civil rights? And the judgment held that they cannot and that the excuse that the treaty was made does not enlarge the jurisdiction of the dominion as against the jurisdiction of the provinces. I will read you one sentence from the head note: "The Dominion could not merely by making promises to foreign countries clothe itself with legislative authority inconsistent with the constitution which gave it birth." And, a further sentence: "Lastly, in totality of legislative powers, dominion and provincial together, Canada was fully equipped to legislate in performance of treaty obligations, but the legislative powers remained distributed, and if in the exercise of her new functions derived from her new international status, Canada incurred obligations, they must, so far as legislation was concerned, when they dealt with provincial classes of subjects, be dealt with by the totality of powers—by co-operation between the dominion and the provinces". That again seems to emphasize what I read from *Hansard* of 1932.

Let me say that when I have concluded I shall be happy to be questioned on anything whatever and I also would invite interruptions. I would be very glad to be interrupted and try to clear up any difficulties that any member may feel I ought to deal with. Just recently a distinguished Canadian went

as a representative to Mexico to attend the inter-American Bar Association, which includes all south, central and north America as well as Canada. He said that the subject of extradition was discussed at great length and that the consensus of opinion was that no treaty should be signed on behalf of a country without prior submission to the governing bodies representing the people. That was stated by Mr. D. L. McCarthy who has just returned from Mexico. This gentleman who went to Mexico is Mr. D. L. McCarthy who is actively practising law and is a past president of the Canadian Bar Association. That is a distinction enjoyed as well by my honourable friend Mr. Brais who will address you. He is a past president of that organization, so I find myself in good company. I am not going to go over all the Acts of the different provinces of Canada which I have available for you on the subject to which I referred. Now, I want to make an attack of a friendly character, of course, upon article IX, a portion of article IX. I shall begin with our first complaint and that is a complaint against subclause B of section 1 of the protocol. If you will look at that subclause B, you will find it on page 11 of the pamphlet—it reads as follows: "Wilful and knowing violation of the laws of the requesting country." If you put in the word criminal before the word laws, I think it would be better drafting. Now, someone may say: if it is wilful and knowing, why shouldn't we make it extraditable? I hope to show you why. If you will read with them the last words of article IX on page 9 at the top it reads: "it shall not be essential to establish that the crime or offence would be a crime or offence under the laws of the requested country." Our view is this: Mr. Read says it is pretty difficult if you are going to confine extradition to matters which are offences in both countries. Let us leave out requesting and requested, and I will use Canada and the United States. He says: if we leave the law as it is at present, then only for offences which are offences in Canada can the United States send over and take a citizen away; and that makes it clumsy to extradite. I do not think that bare statement is good enough. Let us bear this in mind: We are venturing into real Canadian citizenship. We are all glad to remain British subjects, but we are becoming Canadian citizens. What is Canadian citizenship? It means that no man in Canada can be arrested, or any hand be laid on him, or may he be sent to jail or fined unless he breaks a law of his country, Canada. But the principle of extradition which crept in one hundred years ago in Britain and which we adopted up to date makes an exception with regard to taking that Canadian out of his own country and trying him for an offence in a foreign country before a foreign judge and jury if the offence for which he is to be taken away and tried would have been an offence if committed in Canada. That has been described by many judges as the "sovereign right of citizenship." The Habeas Corpus Act was devised to enable a man, who in the old days at the will of the sovereign or some spite, was thrown into jail. Now he can apply to the courts of the land to be released from jail on the ground that he has not contravened his country's law. That right exists today in Canada. But, through the comity of nations, the belief that it is desirable, we have accepted Britain's view, and have acquiesced in extradition treaties which mean an invasion of the sovereign rights. But they have never heretofore invaded that right to the extent of taking a man away and trying him for something in the States that would not be an offence in Canada. This treaty will wipe out one hundred years of our preservation of that sovereign right and toss it to the winds. What if there is a little difficulty in order to extradite a man, if you adhere to that existing law? I do not see that there is. If our laws are very similar to the United States, presentation to a Canadian extradition commissioner, who is a judge or a magistrate, of the case for the United States and an application to take a man away merely in-

volves showing to that court a question of fact what the law is in the state, and that with other facts there in indicated a prima facie breach of the law over there.

Our judges know, if that had happened here, whether or not it is a breach of the law in Canada? I cannot see any difficulty there. That is the way we stand today, and that is the way this parliament wanted us to stand fifty-nine years ago. We passed the Extradition Act, and this treaty as proposed is definitely in the face of our existing legislation. It ignores some features of our statute. I have not heard of any resolution for a bill to amend the Criminal Code or Extradition Act. And I call to your attention now that, in the absence of an amendment to the present Extradition Act which I think is sound and good as it stands, if we authorize and approve this treaty, then we are making monkeys of ourselves because we are giving approval to a treaty that conflicts with very solid and definite provisions of our present laws. There is some confusion as to what fugitive is. A fugitive under the Act is not merely a man who did wrong in the States and then crossed the border to escape and then says that the officers cannot follow him across the border. It is broad enough to include a Canadian who has never left Canada at all. We have some amendments which I will lay before you which will enable the United States—and sometimes it is the other way around—to go into court and extradite real fugitives from the States who seek refuge in Canada. But when you come to pretty silly regulations, not laws, but regulations like the Michigan state law: if that man is an American citizen who fled to Canada, we say, you can have him and take him back to his own country and try him. That is the place to try him and we are glad to help you. Our amendment will enable that to be done to the full. But when you come to pick up a Canadian citizen here on a telegram from Washington because a disappointed man in Oklahoma has bought some Lake Shore shares from a reputable house in Montreal or Toronto and the shares happened to go down instead of up that is a very different matter—

At this point the discussion took place off the record.

Mr. SLAGHT: (continues) Let me give you three offenses under Michigan State Law. Of the forty-eight states, nearly all have regulations or security acts. My friends have the Michigan state law here and you can check them. There are forty or fifty offences.

By Mr. Hackett:

Q. I think it would be helpful if you made a reference to the provincial security laws. That might be printed as an appendix?—A. All right, I will undertake to do that. I will give you the statute of each province and the statutory reference and you can examine them. Here are three offences which have been created not by the legislature of the state of Michigan, not as far as I know by any judges, but by the Securities Commission of the state of Michigan. They are called blue sky laws. In the first place: take the case of a man in Canada against whom somebody in Detroit lays a charge for having sold him \$10,000 worth of ninth victory loan bonds. The Detroit man pays the Canadian for them, but he did not have the Detroit man sign the application for the purchase on a form which was approved by the Michigan state commission. That is an extraditable offence if this treaty goes through. The second is; if he makes the sale, to the Detroit man of the security, and in connection with it—if he advertises in a Detroit newspaper a Canadian security, even though every statement in the advertisement is literally true, even if it is a conservative statement and does not indulge in puffing, let alone falsity and deceit, and he publishes it in a paper over there without having first submitted his advertisement to the Michigan Commission for approval, he is committing an extraditable crime and you can take him over to Derroit and try him.

By Mr. Boucher:

Q. Would not the same rule apply this way as well?—A. No. This treaty was signed in Washington in 1942. It made it possible for the publisher of the *Globe and Mail* which is popular in some quarters here to be extradited—I think the protocol however cured that and is broad enough, as I understand it—to protect an advertisement so far as the newspaper is concerned. Take the *Ottawa Journal* or the *Ottawa Citizen*. If they have some subscribers in New York or Philadelphia, there is a possibility of some Canadian mining securities being advertised in these papers and they are read by people over there. If the newspaper is in the business of publishing a regular newspaper and not merely that of advertising securities and brokerage, I think you will find that practically is cured, the prosecution of the company publishing the newspaper.

By Mr. Fraser:

Q. But only so far as it is intended for circulation within Canada. If it is primarily intended for circulation within the United States, then it is not protected?—A. That is right. In other words, you make criminals of every newspaper owner and editor in Canada who has a circulation in the United States. Even the protocol has not cured it.

By Mr. Jackman:

Q. If it is primarily intended for circulation in Canada, I think you are all right?—A. But suppose it is published partly and not primarily for Canada; suppose fifty per cent of the subscribers are across the line?

By Mr. Hackett:

Q. Then it would not be primarily.—A. I think we should protect our newspapers. That point having been raised before you, you gentlemen will give heed to it in your report.

MR. ADAMSON: The *Border Cities Star* did come up. That was one paper.

By Mr. Fleming:

Q. What is the definition of primarily?—A. I should think it ought to be clarified.

By Mr. Jaenicke:

Q. Would a breach of our provincial security laws be an extraditable offence, so far as United States is concerned?—A. Under this treaty it would, or at least under the existing law, if the law is the same in both countries; but if it is not the same in both countries, and in so far as United States law was not in accord with provisions of one of our security acts under the present law, we could not extradite him. But if the treaty goes through, we could extradite him.

Q. The treaty covers not only the code but provincial laws, even though the maximum penalty in all provinces except Quebec is six months?—A. In practically all these state laws which my friend is going to give you, such as the Michigan state law, most of the penalties are two years, and they are declared to be indictable offences. They have gone away beyond what we have done in the way of punishment of a breach of the regulations. But it is a pretty serious matter to manacle Canadians and send them away to be tried for a breach of that regulation. There is a third Michigan state regulation which I have here. If you sell a man anything there or put an advertisement in a Detroit paper for a Canadian security without first submitting it to the Michigan state commission, that was the first law; the second was: that you must take an order on a form which is approved by them before you can make

a sale. The third law is: anyone filling an order for a client, that is, by making a purchase or by making a sale upon the open market—suppose a Canadian broker charged \$20 too much having regard to the Michigan state laws for selling securities, he would be contravening that law and thus be extraditable for the \$20 overcharge.

By Mr. Marier:

Q. Except a knowing violation?

The CHAIRMAN: We will adjourn at five minutes to one.

The WITNESS: What time is it now?

The CHAIRMAN: It is twenty minutes to one.

The WITNESS: I would be glad to stop any time. I have given you a history for the past twenty years of American money that is coming here. I think we are going to stop the possibility of American money coming in. The extradition treaty will change the whole economic policy of Canada, if we approve it, even with the "wilfully and knowingly" in. If this protocol and treaty become law, they are going to mail to every security and investment dealer in Canada a copy of the S.E.C. laws and those of every state law in the United States and they will send them here by registered mail and take a receipt. Then, if they do that, should a charge ever be laid that a Canadian wilfully and knowingly violated a law it could be said a copy of the law was sent him. When I come to the question of bail I think you will be shocked at the results this treaty would involve. Now I shall pass along to my next topic if I may. I did tell you that subclause B of article IX raised the whole question of whether you are going to safeguard a Canadian from extradition for an offence that is not an offence in Canada. But, if you are not going to do that, then you must have an amendment and I will have an amendment for you which will, in effect, say that no Canadian citizen can be extradited unless you can show it is an offence in Canada. But if you want to come over and take back an American fugitive, we won't protect any American crooks who get across the line; but we will protect Canadian sovereignty.

By Mr. Jackman:

Q. You say that if this protocol is signed, the American dealers will send copies of their statutes to their dealers on this side of the line. That fact will be taken by our courts as evidence?—A. A defence counsel would have a hard time to persuade the judge that if a man had read the law mailed to him—that in breaking it—he did not do so wilfully and knowingly—cases show that if you stay in Quebec city and write a letter to a man in New Brunswick and do not go near New Brunswick, but you sell him a security down there in breach of the law, you thereby commit an offence in New Brunswick because the postman who hands the letter to him in New Brunswick is considered to be your agent, and the mail clerk who sends his check back to you is considered as his agent. The Godfrey case makes it clear. Godfrey was not in Switzerland at all.

By Mr. Hackett:

Q. The British law is a little different?—A. I have not studied the British law, but I know the British Extradition Treaty is.

Q. I suggest that article 26 of the British Act is more specific than anything we have here?

By Mr. Marier:

Q. There was a clause according to Mr. Read?—A. I understood that Mr. Read agreed with me that, if a man in Winnipeg wrote a letter to a man in Oklahoma and enclosed a circular and invited the Oklahoma man to buy a security, then the Winnipeg man could be charged with having committed an

offence against the laws of Oklahoma and could be taken to Oklahoma on extradition proceedings and tried there for the offence without ever having left Canada.

Mr. READ: I do not think I would go quite that far.

The WITNESS: I invite him to consider that and to look into and to study the authorities.

By Mr. Jackman:

Q. Would security dealers here be said to have knowledge of American laws if the various jurisdictions sent over copies of their laws?—A. I think that is probably all they would have to do. If you have done something here that is contrary to the laws of Oklahoma, you have committed an Oklahoma offence. There are lots of lawyers here to whom I would pass on that question. Now I pass on to what I think is really a gem in the treaty; it is article XI. That article XI is difficult to understand. I will read you the first clause in order to give you the drift: "Either government may ask for the provisional apprehension and detention of a person, if it indicates at the same time its intention to request his extradition." I had a couple of extradition cases twenty years ago. A man was arrested on a telegram from Washington to the Canadian authorities and he lay in jail for eight days before I could get him out on bail. Now look what Canada is asked to promise to do in the matter of bail. "During the period of provisional arrest of a person"—I read now from article XI—and I would recommend to you to recommend to parliament to throw out this article—"whether pursuant to a formal request or otherwise, for the purpose of extradition hereunder, the legal officers of the requested countries shall oppose the release on bail of such accused or convicted person, except in cases in which the denial of bail would, in their opinion, cause injustice." Here is Canada as a country pledging its national word that regardless of any real examination of the character of the man or the type of offence,—let us say it is for selling a man in Detroit \$500 worth of securities and not having taken his order on the Michigan approved order form—our legal officers are pledged to oppose granting of bail to that man while he lies in jail until Washington finds it convenient to send someone up here to present a case against him.

By Mr. Coldwell:

Q. What is the force of that suggestion?—A. I think any man arrested in Canada on a foreign charge should not be refused bail unless he is a confirmed criminal. Bail should be available to him in a proper amount to be fixed by our courts. To provide otherwise is to refuse him justice. Yet here we are agreeing to instruct our legal officers to oppose the granting of bail. I think it would be a gross injustice. Bail in England and here is matter for the judiciary to say whether it should be granted or not. It is true that Crown officers may make their views known, and defence counsel may put their views forward, but bail is a judicial function always. A magistrate or a judge should say what the previous record of this man is. If it is a crime, that is one thing; but if it is an offence against the Michigan state law of that trivial character, then why does Canada pledge herself that our legal officers shall oppose bail? I do not and I cannot understand it.

By Mr. Boucher:

Q. Could you explain the very few cases in Canada where bail is not granted as a matter of right?—A. Bail is granted almost as a matter of right except for murder, rape, or those very serious offences. But except for those major offences, certainly, when you get down to parking offences, or not making use of an order form, a particular form, bail should be granted.

By Mr. Coldwell:

Q. Is there any grave danger there?—A. Why should we be a party to any such a transaction?

By Mr. Boucher:

Q. Is it not a fact that we in Canada feel that bail is a matter of right except in extreme circumstances, whereas this would lead us to say that only in extreme circumstances may bail be granted?

By Mr. Fleming:

Q. Bail is in all cases a matter for the discretion of a judge or magistrate sitting on the case and is not for anyone to dictate to the court what action should be taken on an application for bail?—A. Why should the Dominion of Canada stick out its neck to the extent of saying to a prosecuting officer in Saskatoon: we want you to go before a magistrate and oppose bail being granted in this case. That would be interfering, in my opinion.

By Mr. Coldwell:

Q. We are not interfering with the discretion of the judge?—A. No. They won't go so far as to influence the judge.

Q. Not being a lawyer, it seems to me that all this does is to leave the matter in the discretion of the judge. But the point is raised. That is all I can see in it.

By Mr. Hackett:

Q. The legal officers of the requested country shall oppose the release?—A. "Oppose" is the verb used, yes.

By Mr. Coldwell:

Q. Isn't that the same thing as putting it up to the court to decide?—A. Oh, no.

Q. Isn't there a safeguard here?—A. I respectfully suggest, for your consideration, this is a very different thing from Canada agreeing to say that all matters of bail shall be put up to the court. Such matters are so handled any way. We could have said here that our legal officers shall attend on these cases and merely submit the facts for the judge to decide. But instead of that we use the word "oppose" and we are pledging Canada's good name that we will go there and oppose the granting of bail.

Mr. BOUCHER: Our Crown attorneys are instructed to bring out the facts, not to convict, themselves. Here, by instructing them to oppose bail, we are asking them to convict.

By Mr. Marier:

Q. The Crown attorney can oppose bail, but the judge would have discretion to grant it.—A. A man who is charged under a Michigan state law might say to the judge: This is a minor matter; on the other hand your law officer would have to say this is not a minor matter because the parliament of Canada has instructed me to oppose bail. I think we are going off the deep end in attempting to agree with a foreign power to enforce the administration of justice to that extent.

By Mr. Fleming:

Q. I think it should be left to the fairmindedness of our own courts.—A. Yes. At this point the discussion took place off the record.

Mr. ADAMSON: Might I ask a question of Mr. Read: whether he will provide us with the information on what formulative we have to go through or what preparation we have to go through in order to sell Dominion of Canada bonds

on the New York market; what subscriptions do we have to make? Could you provide that for the committee?

Mr. READ: I think so.

Mr. BOUCHER: And what was the cost of the same.

Mr. ADAMSON: Yes, what would be the cost? I understand we had to do that in connection with the sale of our victory bonds.

Mr. READ: Yes.

The CHAIRMAN: The committee will now adjourn until 4 p.m. this afternoon.

The committee adjourned at 1 p.m. to meet again at 4 p.m. to-day.

The committee resumed at 4 p.m.

The CHAIRMAN: As we now have a quorum,—and it is very fortunate indeed that the members are able to be here at 4 o'clock—we shall begin. I want to make just a few brief statements first of all. As the members will notice, we now have some new members on our committee. As you know, we have been greatly honoured by the fact that four of our members have been chosen as delegates to the convention in London, in the persons of Messrs. Graydon, Picard, Knowles and Winkler. They are now on their way to the Old Country. By motions in the House they were replaced by other members; and that is why we have Mr. Jaenicke and Mr. Dechene to act on the steering committee in the place of those who left; and also we have Mr. Fraser and Mr. Marier who have taken the places of Mr. Picard and Mr. Winkler.

Following the directive given by the committee before we adjourned this morning, I saw Mr. St. Laurent when we went into the House; and he is perfectly satisfied, if it is possible for the committee to find time to do so, to give the opportunity to every person here to come before the committee to give their brief and their opinions on the present treaty which we are discussing. To-morrow we hope to be able to meet at 10 o'clock. But we shall not be able to get this room. I believe that the committee on Marine and Fisheries has priority on it. We will meet in room 429. Personally, I do not like to change our place of activity, but I believe we shall have to make the sacrifice for the sake of unity and cooperation. You will receive notice of the place and the hour of the meeting from the secretary of the committee. I shall now ask Mr. Slaght to proceed.

Mr. ARTHUR SLAGHT, K.C., recalled.

The WITNESS: Mr. Chairman, I asserted this morning that my clients are anxious to help parliament and the authorities make sure that any United States' citizen or any one not domiciled in Canada who might temporarily be there—a Turk was mentioned this morning; a citizen of any other country; in other words, any one who is not domiciled in Canada—may be dealt with. We desire to expediate such a treaty and protocol as will make it possible for the United States authorities to say, "You broke our law. You are a citizen of the United States and therefore you should be tried here", or "you are a citizen of Turkey—or any other country than Canada—and should be tried here." Any suggestions I will make—and I propose to file with you in the morning, if I may have the privilege, the exact terms of our short amendment so you will have them—will be found not to conflict in any way with the power to be vested in the United States to come here and take back anybody who is not domiciled in Canada or is not a citizen of Canada, and to punish him. We do not want to be here under any false guise. It gets down to what the word "fugitive" means. We are not

here to support the retention of a fugitive who commits a crime over there against his own laws and comes here and seeks to shelter himself because he is in Canada. I want to make that very, very clear. When you see our amendment, you will know that nothing we suggest will detract from that power vested in our neighbours.

Mr. HACKETT: May I ask a question, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. HACKETT: Do you think Mr. Slaght would be interested in knowing that some members of the committee have found it difficult to trace the connection between the investment of American money in Canada and the treaty? He insinuated and stated this morning that if the treaty was passed, it would have an upsetting effect on the investment of American dollars in Canadian enterprises.

The WITNESS: I think I can condense that for you and answer it in this way: If the treaty and protocol as proposed for your approval had been in force when the American money came into any of the 21 companies that I gave you the facts about this morning, those in Canada who brought it in would have been guilty of a crime and extraditable to the United States.

By Mr. Hackett:

Q. Why? That is the question.—A. Because they would have gone to the United States seeking money to be invested in Canada without conforming with any state provisions that they must first conform to. Let us take International Nickel. If this were law, International Nickel would have to go over there and before they would get any American money—or take Steep Rock or any of them—they would have to first register that company with the S.E.C., and that takes an average of 4 to 6 months. It requires 20 or 30 pages of questions to be answered. It requires geological reports to be secured on the property by geologists and filed, accounting reports; and in a case that will be given you, it took \$50,000 for fees to qualify for investment of \$2,000,000 in Canadian money.

Mr. BOUCHER: On that point, is it fair to say that this treaty does not affect Americans who voluntarily come to Canada and invest their money while in Canada in Canadian projects, but it seriously affects the advertising, the soliciting or the attracting in the United States?

Mr. MARIER: One who is trying to get the money from the States.

Mr. BOUCHER: Yes.

The WITNESS: I want to put it to you—I gave you our case of Lake Shore.

By Mr. Marier:

Q. But will we not get more money from the United States if there is some precaution taken to cover it, to guarantee the value?—A. You will be furnished with telegrams and information from prospecting associations in the United States, the effect of which I may state—and it is with diffidence because I am not handling them—will be that in the United States there has not been a new mine produced in 5 years, and the prospectors over there blame it on the provisions of the S.E.C. which make it practically impossible for the people in the United States to get venture money into new enterprises. So that I hope my associates will be able to show you—I am answering in that way because I think my answer is a most effective one—that if this regulation were in effect, the men who brought that American money in here, would become criminals. While it may be that some American gentlemen are enterprising and may come over and look at things—they used to send scouts—most of the American money that I outlined to you this morning came here because Canadians in many cases,

like ours in Lake Shore, could not get the money in Canada, and had to go over there to get it and persuade the people to bring it in. If you have to do with that you are becoming a criminal in Canada under the proposed conditions.

By Mr. Coldwell:

Q. Do you think this is a very serious argument now, after the demonstration we have had during the war of being able to finance our own activities? Now that we have the Bank of Canada and can do all kinds of things with the Bank of Canada, if we so will it, do you think that this is a very potent argument to-day?—A. Well, I still think it is a very potent argument and may I tell you why. I am one of those who, as you perhaps know, has advocated using the Bank of Canada more freely than we have, instead of the chartered banks; and heaven forbid that you get me on that topic.

Some HON. MEMBERS: Hear, hear.

The WITNESS: If I do, I would have to send for Comrade McGeer to back me up.

The CHAIRMAN: Order, please.

The WITNESS: Let me answer you in this way. The Bank of Canada has not now, and I do not think ever will have under a sane economic policy, the right to invest the funds of the taxpayers in the vaults of the Bank of Canada in prospecting or venture enterprises in Canada. So that with great respect I say that that problem is not really related to this one. That is my answer.

By Mr. Fleming:

Q. May I ask Mr. Slaght this question? He has indicated that he is going to bring in some amendment, and that the nature of it is such that it is designed to get over a practical difficulty in a practical way and confining in effect extradition for offences against United States securities regulations to Americans who may seek refuge in Canada.—A. Yes.

Q. How is that going to cut across your argument that it may be beyond the treaty-making powers of Canada to enter into an extradition treaty under which you are going to permit extradition for offences against securities regulations in the United States?—A. If I apprehend your question, and I think I do—

Q. It trespasses on provincial jurisdiction.—A. Yes. I answer the question in this way. Our provinces have made certain offences. If an American in New York commits an offence against the S.E.C. or New York Security Board regulations, and gets some money out of somebody improperly and comes over to Canada to seek asylum and safety here, if we in Canada make a treaty, and parliament approves of it, whereby the United States may come here and take their own citizens back and try them over there, we have not at all effected the great and sovereign right of a Canadian citizen not to be taken out of this country for an offence which is not an offence in Canada. Does that answer your question?

By Mr. Hackett:

Q. It does not meet the constitutional difficulty.—A. I think, with great respect to Mr. Hackett, that it does. I have not given great attention to the constitutional difficulty, because it was put by the province of Ontario and I understand put quite well. But I still maintain there is the difficulty. I think it meets it in this way. The constitutional difficulty presents itself because if we ratify this treaty the federal parliament are saying to a citizen of Manitoba, "Notwithstanding that you have in your provincial security act dealt with property and civil rights and how securities may be marketed in Manitoba, yet we are going to say that that makes no difference to you, and although your Manitoba law does not make it an offence, still we are going to agree that the

United States may come in and pick up a Michigan citizen and take him over because he has offended a regulation of the State of Michigan." If we do agree to that—and I say this with no great assurance however—I believe we have not infringed the constitutional rights of the province of Manitoba, because we have confined it to extradition not of a Manitoban whose own province has provided when he shall sin the matter of security laws. We have only said to the United States, "You may take your citizen back who has sinned in your own country and which is his country—and take him over there and try him and, if he is guilty, punish him." So with respect, Mr. Hackett, I do not believe if our suggestions as to amendment are found acceptable that we raise the constitutional problem at all. That is my view.

By Mr. Adamson:

Q. Nevertheless you would only allow the extradition of an American citizen if he had committed an offence in the United States?—A. If he was either convicted of it, which is one thing, or charged with it over there, and if we agreed to that my respectful submission is we have not infringed Manitoba's right to say what the Manitoban or Canadian can or cannot do in selling securities in Manitoba at all. Therefore we have not raised the constitutional question as between parliament here and the province.

By Mr. Fleming:

Q. Take the converse case. The constitutional aspect of it is bothering me a little bit. I take it that the treaty is going to be mutual as to the obligations assumed, and the United States will undertake to repatriate or extradite to Canada Canadians who commit offences against Canadian laws?—A. Definitely.

Q. That is against securities laws or regulations?—A. I mean if we have our way the United States will only be asked to send back to Canada Americans who have offended against Canadian law if it is also against the law of the United States, their own country. It is mutual.

Q. I am taking the converse case, the application to the United States to extradite to Canada Canadians who have offended the security laws or regulations of the province of Manitoba. Where do we stand then on the constitutional right of parliament to approve a treaty with reference to a breach of the provincial securities regulations in that regard?—A. I would think that no province would be heard to lodge a complaint if a Canadian had offended against a law that the province said was an offence in Canada and had taken asylum in the United States. How could the province consistently say to the federal government, "You should not have arranged for us to get him back and try him?" They would want him back and want to try him.

MR. HACKETT: That may be, but that would not go to the essential thing about which we were talking, that it would have to fall within the ambit of criminal law, and a provincial enactment would not make an offence, which would come within the general description of criminal law as mentioned.

By Mr. Jaenicke:

Q. Would an accused be able to raise that point in the extradition proceedings in the United States?—A. I do not think he would in the case my friend puts. Let me see if I understand it. I may be stupid about this, but assume that a man from Winnipeg has committed some offence in the United States, or rather an American—it is the other way around, it is not?

By Mr. Fleming:

Q. It is a Canadian.—A. A Canadian in Winnipeg—

Q. Commits an offence against the securities regulations of Manitoba and takes refuge in the United States, and then the Canadian government under

the provisions of this treaty ask the United States authorities to extradite him to Manitoba.—A. So we can try him in Manitoba.

Q. For an offence against provincial regulations there.—A. For an offence against provincial laws.

Q. Is it in the jurisdiction of parliament to enter into a treaty for extradition to answer for a provincial offence?—A. Oh yes, but my view of that is that the federal government intervenes in that instance in aid of the enforcement by Manitoba—call it an offence instead of a crime if you like—of a law that Manitoba saw fit to set up for the protection of Manitoba citizens as to the type of selling and marketing you may do in Manitoba. I cannot conceive the Manitoba attorney-general or that province saying, "We complain of the federal government having made it easier for us to bring back a Manitoba offender who ran away to the United States to hide, and we complain that in your federal jurisdiction you are invading our field." It is in aid.

By Mr. Jaenicke:

Q. Suppose the accused raises that point?—A. Let the accused raise that point. If I were for the Crown I would say to his counsel—

Q. The proceedings will be in the United States.—A. Of course they will be and the magistrate or commissioner in the United States will have to say first, "Have they shown it is an offence in Manitoba where they have laid the charge against their own citizen. Secondly is it an offence against the laws of the United States?" If we leave things as they are, which we are asking you to do, and if he decides it is against both laws he will direct the man to be extradited, but I thought the point was being put to me that if we make that machinery possible are we not invading the field of provincial law in Manitoba? I am trying to say—and I may not be touching the point—we are only helping Manitoba bring back the man to be punished under the law they have properly passed.

By Mr. Boucher:

Q. I do not follow you entirely because as I understand it it is not only federal offences which are extraditable. Some provincial laws are also extraditable as are state laws in the United States.—A. That is correct.

Q. Secondly, the fact that the province of Manitoba want the dominion government to pass legislation to assist them in bringing a man from the United States to answer to their laws does not make it constitutional. The accused could still raise the point that it was ultra vires. There would still have to be supplementary legislation by the province and the dominion to make it valid.

Mr. HACKETT: I think there would have to be an amendment to the British North America Act.

By Mr. Marquis:

Q. Are they not offences under criminal law?—A. Yes, and in one sense parking illegally under a provincial Highway Traffic Act is an offence, or let us say over-running a red light is an offence for which a man can be sent to jail. My understanding of criminal law is that if you are before a magistrate, are convicted of an offence and go to jail it is criminal law whether it is criminal law created by a province under its right to handle certain aspects and punish people or whether it is committed under the Code.

Q. Indictable offences are supposed to be proceeded with under the Criminal Code?—A. Assume I am wrong in my suggestion that counsel for the accused man could not properly say that Ottawa had no right to bring him back when Ottawa has certain rights over extradition because it is offending against the field of provincial law. To my mind that would not be sound, but suppose it was; is that not all the more reason why this treaty should not be approved?

By Mr. Fleming:

Q. I do not want to belabour the point but I would ask Mr. Slaght if he would have that point in mind in framing the amendment he is going to introduce to the committee tomorrow morning.—A. Thank you. I shall give it careful thought tonight.

Q. We want to understand its relationship to the earlier argument about the constitutionality of a treaty of that kind, and the treaty-making power of the dominion.—A. Thank you. I will do what I can on the subject. Then, I asserted that none of the amendments we are going to propose—and I have put some of them to you already—will interfere with bringing an American scoundrel back to the United States if he is an American citizen and has broken his own law.

By Mr. Boucher:

Q. Did you not also say that if he is other than a Canadian citizen?—A. Other than a Canadian citizen.

Q. In other words, there may be somebody who is not a citizen.—A. There may be that Turk over there who wanted to break the American law and then go over to Manitoba and escape.

MR. FLEMING: Do not point at me when you say that.

By Mr. Adamson:

Q. Break his own law within the physical confines of his own country?—A. If he is in Canada here and an American citizen, or a citizen other than domiciled in Canada, then our viewpoint is let him be extradited and charged over there if that is where he is said to have broken the law, but our point is for the protection of Canadian citizens.

By Mr. Marquis:

Q. Do you contend that a citizen is supposed to know the law of his own country but not to know the law of other countries? Is that the principle on which you are relying?—A. I cannot go quite that far. There is a presumption of law that everybody knows the law. If a man comes forward, having broken the Canadian law, and is tried here in Ottawa it will not do for him to say, "I did not know that was the law", and escape. There is a presumption that you are presumed to know the law and are punishable if you break the law in Canada, but I think the point you have in mind goes a little deeper than that. You suggest that I would perhaps argue that if a Canadian broke the law in the United States, either by doing it by letter or going over there and breaking the law, that when they sought to extradite him and try him if he got back to Canada he could say in answer to the extradition, "I did not know that was the law of the United States." I do not think that would be any more answer for him than it would be for the Ottawa man, but the magistrate's task who heard the application to take him back would be to say in the first place, "Have the United States proven that what he did over there was against the law of the United States?" That is a matter of foreign law proof by evidence.

By Mr. Hackett:

Q. That he had wilfully and knowingly— —A. Wilfully and knowingly broken it, and if we prevail and get that mutuality of law secondly, did he break the law of Canada by doing what he did in the United States? I mean is there a similar offence in Canada had he done it in Canada? Does that cover your point? That would be my answer to it. I do not know how sound it is.

By Mr. Adamson:

Q. I am sorry to labour this point so much, but if a Canadian and an American in Canada both broke the American law the American would be

extraditable and the Canadian would not?—A. That would be so under what I suggest if the American broke the law of his own country. I do not urge the parliament of Canada to keep him from going back, but I do urge the parliament of Canada not to send the Canadian who broke the very same law, who is charged with breaking a law in the United States, when if he had done it in Canada it would not have been a breach of Canadian law.

By Mr. Marier:

Q. What happens to an American who has come here and committed an offence here against our laws?—A. We would try him here and send him to jail.

Q. Suppose he goes back. There would be no possibility of extraditing him?—A. Yes, there would be.

Q. And there would be the reverse for a Canadian?—A. The reverse, exactly, but do not think I am trying to shut the door on an American who came over here, broke Canadian law, fled to the United States and we want him and are able to extradite him for having broken Canadian law.

Q. But it is possible he has broken Canadian law without breaking American law.—A. In a case like that if he has broken Canadian law but has not broken the laws of the United States I believe that the Justice Department, the people of the United States and Congress if they really got to the meat of this problem would say, "We do not want an American citizen taken to Canada and tried unless what he did over there is a breach of the law of the United States." I must go that far, and I do go that far.

By Mr. Léger:

Q. May I put this question? Say a man in Ontario has permission to sell certain stock in Ontario. Can he turn around and go to the United States with a bunch of this stock and sell it to somebody in the United States? What would happen then?—A. No. If he goes over there and is found selling stock in the United States of a company which he has not registered with the S.E.C., and if he as a dealer has not registered himself with the S.E.C. and put up a bond of \$500 as a dealer allowed to sell stock in the United States he will be in trouble. That is another provision we have not mentioned. He cannot do that. If he is caught in the United States and found over there he can be tried over there and no question of extradition applies at all.

By Mr. Marier:

Q. But suppose he comes back?—A. If he comes back here and they seek to take him back for committing an offence there then if what he did over there is an offence in Canada and if it is an offence over there we say, "Take the Canadian back who has broken Canadian law and United States law." I do want to make that clear. But we say, "Do not take the Canadian back if he has not done anything or is not charged with anything over there which would be an offence in Canada."

Q. It is going very far. An American can come here and commit a very serious offence or crime. He will return to the United States and the Canadian authorities would not be permitted to bring him back for the crime.

MR. HACKETT: That is the principle of double criminality which has been underneath all extradition treaties up until now.

The WITNESS: For 100 years British law, Canadian law.

MR. BOUCHER: As to the statement you gave when Mr. Léger asked you as to a Canadian taking securities under his arm and going to the United States, say the state of Maine, and selling them there without registering with the S.E.C. he would then have broken the law of America but he would not have broken Canadian law unless it is against the law in Canada for him to do so. If it is not he could not be extradited. But there is no extradition about that, is there?

Mr. LEGER: If he returns before—

The WITNESS: Before he was apprehended, yes. Then, there is no extradition in that. It is a question then of changing the law.

Mr. LEGER: Then he has sold stock he did not have the right to sell and he came right back without being caught.

The WITNESS: All right. Now then, if what he did is not an offence against our Canadian law—

Mr. LEGER: Because he has the right to sell that stock in Canada, but he took some of that stuff over there and sold it and came right back before he was caught.

Mr. HACKETT: In the state of Michigan.

The WITNESS: He is immune, if the present law prevails—that has been the law for 100 years—this will wipe it out, will wipe out the present law. It expressly provides in the last sentence of article 9, you do not need to prove when you come back here that he broke a Canadian law. It does not matter whether it was an offence under the Canadian law at all, if it is an offence under a regulation of the state of Michigan, a regulation of their state commission, that is enough; away he goes.

Mr. LEGER: If I understand it correctly, under this new law we propose to pass, and American would have the right to go out of Canada and sell that stock in the United States—

Mr. SLAGHT: I am afraid I have not made it clear, perhaps I should have said in answering you before that if a Canadian goes to the States with a bundle of Canadian stocks and sells them by reason of fraud or misrepresentation, this amendment that we are now complaining of, this treaty that we are now complaining of—and it has been that way for 50 years, if he goes and gets money under false pretences he is extraditable now under the law. He can still be extradited for fraud. But I am not talking about that kind of a man, I am talking about the kind of man who has done nothing fraudulent beyond the infringement of a mere regulation.

Mr. LEGER: I said that this stock that he brought over to the United States was allowed to be sold in Canada by the Canadian government or the provincial authority.

The WITNESS: Yes, but not to be sold in Canada by fraud or misrepresentation or false pretences.

Mr. LEGER: No, but that stock sold in the United States might be worth something or it might not.

The WITNESS: But, if he committed no fraud in selling it there he could not be accused of breaking any law of Canada, he has merely infringed a regulation of a state of the United States. It gets back to this, gentlemen. I see the points that are raised, but I come back to my original thesis; this is not solely a matter of extradition, it is a matter of this back door or side wheel method of changing our entire fiscal policy between Canada and the United States for permitting American money to come in for investment here.

The CHAIRMAN: If I might be allowed, the question was raised from time to time of the relative jurisdiction of the federal and provincial authority. I believe that is covered in the British North America Act, section 91, subsection 27: "The criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters." I merely cite that as indicating that it safeguards against the possibility of the federal government infringing on provincial jurisdiction in the matter of extradition, and so on. I just brought that to your attention as a matter which you might care to consider over night.

The WITNESS: I thank you for calling my attention to that. I do not want to touch on all of these problems; but, is there anything further on that?

I am sorry I have not got our proposed amendment here, I will have it for you when you sit to-morrow morning at 10 o'clock, if you sit; then I will be able to clear up some of these matters which perhaps need clarifying.

Mr. ADAMSON: On the question of equality before the law; all men are equal before the law, whether they are Americans, Turks, or what. That is one of the questions we were asking you to deal with.

The WITNESS: Equality before the law.

The CHAIRMAN: Order, gentlemen.

Mr. MARQUIS: Your contention centres around section 30, does it?

The WITNESS: Section 30, and 31. I am not so much concerned with section 26.

Mr. MARQUIS: That deals with American nationality.

Mr. COLDWELL: What about that question which was raised about the American and the Canadian—

The WITNESS: They would be on the same basis. Let us examine that a moment; if an American comes here and a Canadian is here and they both commit the same offence here and we catch them at it here, we try them both and we convict them both and we sentence them both; we have equality before the law. But where you have an American and a Canadian, in the case just cited by Mr. Leger, committing an offence before a state commission, there we come to a different problem.

Mr. COLDWELL: Let us assume that both of them commit the same misdemeanour in the United States and come back to Canada; would not the United States extradite her own citizen? One man could be extradited and taken back to stand trial where in the case of the Canadian he could not; therefore, there is inequality before the law.

The WITNESS: No, let me answer that this way, the Canadian could not be extradited if the law of Canada did not establish it as an offence under Canadian law. The equality with which we are concerned here is equality before the Canadian law. You might have an American citizen who did the same thing as the Canadian had done and they would ask that he be sent back. And my view of it is that if he breaks the law of his own nation which he was bound to keep, why should we shelter him; but, why should we not shelter in Canada a Canadian who had not done anything that is not against the law of his country. That is the way I appreciate it.

Mr. HACKETT: You are suggesting that the rule of duality of crime be modified to that extent.

The WITNESS: Yes. As a solution the only other thing to do is to throw this treaty out. But we can't very well do that—that is only my individual view. I think the United States will receive our representations in a friendly way if parliament finds that there are matters in here which we should call to their attention; and I believe that they will study this in the most friendly way, and we may well be able to persuade my friend Mr. Read, and perhaps even convert some of the gentlemen who are working with him down there, that we are right about this thing. I am sure that the United States does not want any more than we want; and that anyone from the United States who comes over here could be extradited here for any offence against the laws of Canada which is also an offence in the United States. We must consider that the power to extradite is an extraordinary method and controvenes the principle of the comity of nations, and the reasons for it must be sound, and must safeguard the sovereign rights of Canada—the right of the Canadian to say, I am not going to be sent anywhere else unless what I am charged with having done, unless what I did over there would have been an offence if it

had been done in Canada. It all hinges on what I said, that question of the duality of crime. Now, I am going to skip some of the matters to which I had wanted to refer; perhaps you will permit me when I introduce my amending resolution to make some brief remarks about it so as to make it easier for you to appreciate what we have in mind. I want to devote myself now to—by the way, has this other matter been cleared up?

Mr. FRASER: I am not still satisfied on the matter brought up by the question put to you by Mr. Adamson, and Mr. Coldwell brought it up also when he said that it would not be equality there if an American and a Canadian committed the same crime in the States and came from there over here and the Canadian could not be sent back unless it was proven that the crime he was charged with committing was also a crime under our law.

Mr. COLDWELL: Under Mr. Slaght's suggestion the Canadian could not be taken back.

Mr. HACKETT: Not as matters stand now; if the treaty is ratified, yes.

Mr. FRASER: I would like to have that explained.

The WITNESS: Let us say that a Canadian goes over to the States—is it?

Mr. FRASER: And the American is over there.

The WITNESS: And the two of them commit a similar offence connected with the sale of securities in the States?

Mr. FRASER: Yes.

The WITNESS: And the offence they are charged with committing in the States, let us say it is in New York state, and New York state wants to get them both back, the Canadian who is here and the American who has come here.

Mr. FRASER: That is right.

The WITNESS: And they both seek refuge here having come from New York; and then, under the present law—

Mr. FRASER: And it is not a crime in Canada.

The WITNESS: Let us suppose the offence is not committed in the state of New York but in Michigan, and that the offence for which they are both charged and wanted over there was, let us say the sale of \$1,000 worth of stock without using a form which has been prescribed and approved by the Michigan state commission?

Mr. FRASER: That is the idea.

The WITNESS: That happened, let us say, in Detroit. Under the present law, if Canada is asked to extradite both these gentlemen, and to send them over to Detroit for action by the State, you cannot take either of them. We cannot take either of them now. If the treaty and the protocol go through in their present form you can have both of them.

Mr. HACKETT: Yes.

The WITNESS: I am suggesting, it is only a suggestion, I am trying to find a way to have Canada meet the United States in every possible reasonable respect. They may not want this, but neither country could very much complain if a middle course were adopted as to individual cases. You can take an American citizen back because he broke a law of his own country. He ran away to avoid it. You cannot take a Canadian back because he happened to have infringed a law over there which is not an infringement in Canada.

Mr. ADAMSON: My submission is that that is not equality.

The WITNESS: Is not equality—I don't know—

Mr. ADAMSON: I do not want to prolong the argument, we have spent a lot of time on it.

The WITNESS: I have been searching my mind to see if "equality" has a scriptural source. I do not think it has, it is a man-made word, and I think we can all appreciate what it means.

Mr. BOUCHER: When you speak of equality before the law you must bear in mind that a citizen when speaking of the law must consider the law of the country to which he owes allegiance. If you consider that, then there is equality under the law.

The WITNESS: I had thought that was the basic principle which has been recognized for over 100 years in Britain, and in Canada it has been recognized ever since we have been a nation.

Mr. JACKMAN: Of course, in the case presented to us, where a man in England committed a crime in Germany and came back to live in England—

Mr. HACKETT: That bears on article 26 of the law which was cited.

Mr. ADAMSON: Let us carry this thing much further. An American and a Canadian are living in Canada and they both sell the securities to an American client. The American has broken a law of his own country but the Canadian has not broken a law of his country.

The WITNESS: Yes.

Mr. ADAMSON: Under your proposal the American would be extraditable and the Canadian would not?

The WITNESS: Yes. I must qualify that by asking you, if you will permit me, to say this: if two people, an American over here and a Canadian over here, break the law by selling securities based on fraud or deceit, and they sell securities by the use of fraud in getting the buyer to buy them; under the treaty as it now is, without an amendment at all, you can take them both away: because under the Canadian law it was wrong to sell by false pretences, it was wrong for the Canadian to sell by false pretences, and it was wrong for the American to sell by false pretences; you can take them both back to the place where the crime was committed.

Mr. ADAMSON: I agree with that.

Mr. FRASER: That is different.

Mr. JACKMAN: It is an infringement of their regulations.

Mr. MARQUIS: If it is an infringement of their regulations it is not the same thing.

Mr. BOUCHER: If it is a crime against the law in both states.

The WITNESS: Under our present law, if it is not an offence against both Canadian law as well as American law you cannot extradite him.

Mr. MARQUIS: Yes.

The WITNESS: On this clause at the end of article 9, plus the clause in sub-clause (b) of the protocol, clause 1, both of these—as Mr. Read was fair enough to explain to you—swept aside all the past law of extradition; that you cannot at present touch a Canadian, take him away and try him in some other country, unless what he did over there is an offence in Canada; such as murder, rape, all those crimes that shock morality, and crimes relating to moral turpitude; with respect to such matters all countries have said for years that extradition is desirable. But when you come down to regulations, the breaking of some mere local regulation; such, for example, as neglecting to get a form that had been prescribed by a state security commission—when you undertake to apply this extradition privilege to a matter of that kind you are infringing on the sovereign rights of a Canadian, not to be tried anywhere for an offence which is not an offence in Canada. It is one of these regulation matters which one

state in its wisdom thinks all right but we do not think it right to make it the law of Canada.

The CHAIRMAN: Then you fear the lack of uniformity of state laws in the United States more than you feel that lack in Canada?

The WITNESS: You say, fear it?

The CHAIRMAN: You fear the lack of uniformity?

The WITNESS: No. I have given very slight study to our nine provincial security Acts. Some are a good deal alike. The Ontario Act is different from the Quebec Act, and the New Brunswick Act is a little different, but in the various states they differ as distinctly as the stripes in Joseph's jacket, I was going to say, although I do not know if my biblical reference is right. They are vastly different. I have here for you, I think, forty state statutes which my friend Mr. Salter can make available for the committee. You can have an opportunity to question me again at any time if I may go on to what I regard as a very vicious item in this treaty, that has not been mentioned—that is article 12 of the treaty; it is very short, and I intend to read it. But before I do so, in order that you may see my point, I want to remind you that Canada has what we call an Extradition Act, and some provisions of the present treaty and protocol over-ride our present Extradition Act and are absolutely inconsistent with it; and that is what I propose to show you. Our Extradition Act is found in the Revised Statutes of Canada, 1927, Chapter 37. It is entitled: "An Act respecting the extradition of fugitive criminals." Probably the legal gentlemen on the committee will find that very conveniently referred to with notes and cases under it in Crankshaw's Criminal Code, at the back. It is an appendix. Sixth edition, 1935, at page 1575. There our present law on extradition is found with notes and cases under almost every section of it.

Now, then, I want to read you what section 2, subsection 3, says, and it defines "fugitive"—rather it is section 2, subsection (c), and it is on page 1577 of Cranshaw, and it defines the word "fugitive",—

Fugitive or fugitive criminal means a person being or suspected of being in Canada who is accused or convicted of an extradition crime committed within the jurisdiction of any foreign state.

Now, will you look with me for a moment at section 27 of the Act, and section 27 of our present law. It was passed in 1886 or earlier; it was re-affirmed in 1886; and has been the law of Canada for forty-nine years, and it has a provision in aid of extradition to ease my friend Mr. Read in some of his departmental difficulties in enforcing extradition. It reads as follows—I am going to read the law of Canada to you and then I am going to show you what you are asked to approve changing the law in Canada with some safeguards in it which I think are essential:—

Property found on fugitives: Everything found in the possession of the fugitive—

And when I read "fugitive" that means a Canadian—it means him as well as a man who runs away from the States—

Everything found in the possession of the fugitive at the time of his arrest which may be material as evidence in making proof of the crime, may be delivered up with the fugitive on his surrender, subject to all rights of third parties with regard thereto.

Now, we think that is a very proper and reasonable provision and it has been the law of Canada for forty-nine years, and we do not want to disturb it. But when you come to a provision which replaces that in this treaty—I do not want to shock you, but I want to read to you what article 12 of the treaty provides in that regard:—

All articles which were in the possession of the person to be surrendered at the time of his apprehension, and any articles that may serve as a proof of the crime or offence, shall be given up when the extradition takes place, in so far as this may be permitted by the law of the requested country.

Note that the framers of this treaty have struck out entirely the rights of the third parties. I want to give you an illustration of what that means. If you arrest a man in Winnipeg who is accused of breaking the Michigan State law, taking a subscription for \$1,000 worth of Victory bonds, if you like, without having the application on the form of the Michigan State Commission, and they seek and arrest him in Winnipeg and take him over there, and suppose he is a security dealer on his way to the vault of a safety box or to a bank with collatered securities in his portfolio or under his arm or in his pocket—suppose he happens to have \$100,000 of Victory bonds that belong either to his client or to himself, or to his wife, and he is arrested under a telegram from Washington, this treaty says that Canada has obligated herself not only to surrender him in handcuffs but to send over the \$100,000 of Victory bonds that are in his portfolio.

MR. COLDWELL: What about those words that you have given: "...in so far as this may be permitted by the law of the requested country"?

THE WITNESS: There is no law of Canada which says you cannot do that, and the treaty says you can take them away.

MR. JAENICKE: Subject to the right of the third person.

THE WITNESS: No, the law of Canada which really—

MR. JAENICKE: Do you say that article 12 cancels 27 of the Extradition Act? I do not think so.

THE WITNESS: I say it is absolutely inconsistent with it. You cannot read the two together. The whole reason was to provide in this treaty that articles such as the bonds I mentioned, and which have nothing whatever to do with the alleged crime of the sale of Hollinger stock—nothing to do with them—all articles in his possession, including the bonds I am visualizing, would be surrendered by Canada along with him, and not a word about subject to third parties.

MR. COLDWELL: "...in so far as this may be permitted by the law of the requested country." I think this reading of the law and the interpretation thereof would indicate that articles belonging to a third party could not be taken away. I want Mr. Slaght to answer the question because I have great confidence in him when he is getting a fee, and I am told that any lawyer who is not getting a fee is not worth anything at all.

THE WITNESS: The fee is so modest that I want you to disregard it entirely. Mr. Coldwell has raised an interesting point, and it may be that he has something that perhaps I have overlooked, but to my mind it does not take away the shocking provision already in the treaty, article 12. The second sentence provides, as our law provides, that any articles that may serve as proof of the crime or offence shall be given up along with the prisoner. That is our law—let me ask what possible excuse there is for signing a treaty with this clause after having previously, in the second sentence, said that anything on him which may serve as proof of the crime, with regard to the Hollinger shares, or whatever he is accused of having, must be surrendered? You have added all articles in his possession to be surrendered at the time of his arrest; we shall send them back; that is new. We have cut out the protective provision in the treaty that shall be subject to the right of third persons in regard thereto. It may be as Mr. Coldwell points out that defence counsel would say, "I want you to look at the Act, and this \$100,000 has nothing to do with the crime."

The prosecuting attorney engaged by the United States or Canada would say, "We want all these articles over there." This can be used as blackmail by a disappointed man who invests in securities perfectly honestly but who bought a loser instead of a winner to send \$100,000 worth of Victory bonds along with a man being tried in Detroit for an affair involving \$1,000. It would be pretty nice to lodge him there with those bonds in the United States. I thank Mr. Coldwell for that. You may think that his counsel could go and argue: "Well, although this treaty says that everything should go except what by the law of Canada cannot go, will someone tell me what those bonds are for"?

Mr. COLDWELL: It seems to me you have to read it this way: "All articles which were in the possession of the person to be surrendered at the time of his apprehension . . . in so far as this may be permitted by the law of the requested country, and any articles that may serve as a proof of the crime or offence. . ." That is in parenthesis.

The WITNESS: Will anyone tell me what kind of articles we must surrender with him under the first phrase in article 12 of the treaty? The articles which were in the possession of the person to be surrendered at the time of his apprehension and any articles which may serve—other than any articles which may serve to help prove the crime against him. What other articles does Canada want to agree to send over?

Mr. COLDWELL: The ones that may be permitted to be sent by the law of Canada.

The WITNESS: What are they?

Mr. JAENICKE: All except third parties.

The WITNESS: Yes, I think perhaps you have hit it. Let us suppose that here is a broker on his way to his banker with \$100,000 of Victory Bonds. He has had a transaction in Detroit and has sold \$1,000 worth of Hollinger stock to a customer in Detroit and did not get the order on the form and they ask to extradite him for the offence of selling this stock without having the proper form. Now, we find that these \$100,000 of Victory Bonds are to go over with him under this situation. Why? Why do we agree to any such nonsense as that?

Mr. HACKETT: It may make him bankrupt first while the controversy is going on and cause great damage to other innocent parties.—A. If anyone will tell me, when we have a provision we carried for forty-nine years with regard to anything on him which may serve to prove his guilt, that there is reason also to take over his own \$100,000 of bonds which he is on his way to lodge in his safety deposit box, perhaps my protest might be mellowed, at least. I cannot see the reason for it. We have gone beyond all international comity, in my judgment, in putting such a clause in against the Canadian citizen.

Mr. MARQUIS: When you arrest somebody in the country, I think you have the right to see the articles which he has on his person. We bring those articles before the court and something is used as a proof of the crime. I was a Crown prosecutor myself for a little while. Something else is not used. So the attorney for the defence makes a motion and asks to see his personal letters and so on, but most of the time you do not know what will serve as proof of the crime or the offence. So, I think that when you extradite somebody you will have to judge him according to the law of the country where he is taken to. So, if you arrest somebody in the United States you should have the right to take everything that he has in his possession because you may need it as evidence. It may be half of the things will be disregarded and will be given back to the man. But what will be the damage? I want to know your personal point of view. What will be the damage? I want to know your personal viewpoint because there is no damage at all if you take something and bring it before

the court and you give it back to the person arrested immediately after.—A. May I answer in this way, if I understood the point, and I think I do. Under the clause in the treaty proposed, all articles are mentioned. Now will you visualize the facts which I put to you—a Winnipeg broker, \$100,000 of Victory Bonds in his portfolio at the time he is arrested and a prospectus of Hollinger, for instance, and the offence charged against him is connected solely with Hollinger shares. The prosecuting attorney and the defence attorney would have no trouble in deciding that the \$100,000 of Victory Bonds had nothing whatever to do with and could not possibly have any reference to the alleged offence. Mr. Coldwell points out, and possibly with some force, that with the clause in article XII which says, "In so far as this may be permitted by the law of the requested country" defence counsel could drag in our statute and say, "subject to all the rights of third parties with regard thereto." But this \$100,000 worth of bonds do not belong to third persons at all. They belong to him. He is due at his bank to leave them that morning in order that his account may not be overdrawn by cheques outstanding. Therefore the clause in this Act is no protection against having to go back to the United States and take with him \$100,000 of Victory Bonds. As Mr. Hackett says, it may ruin him, force him into bankruptcy. So Section 27, if I may respectfully say so, is no protection against the property of a man which belongs to him and yet has nothing possibly to do with the alleged crime.

By Mr. Boucher:

Q. I am worried about this section of the Criminal Code. The section of the Criminal Code which you read says they can take with them everything but third parties.—A. Yes.

Q. But this section says that, although the Criminal Code says you can take everything but third parties, we will let you take third parties.

MR. HACKETT: The extradition treaty.

THE WITNESS: The extradition treaty, not the code. I have given you the extradition treaty, section 27, "everything found at the time of his arrest which may be material as evidence in making proof of the crime."

MR. BOUCHER: That is right.

THE WITNESS: That is all our law now says you can take and subject to the rights of third parties. I am visualizing a case which, under the enlarged jurisdiction of the proposed treaty, says not only any articles which may serve to prove the offence but all articles in his possession at the time "in so far as this may be permitted by the law of the requested country." Mr. Coldwell points out that you can say, "Well, you cannot take third parties." But what about \$100,000 of Victory Bonds? Why should Canada agree to let them take those?

By Mr. Marquis:

Q. You never know, when you arrest somebody, what will serve as proof of the crime. You take something in. You do not know what will serve as evidence of the crime. You have to find out after.—A. My friend, may I suggest this to you—

By Mr. Marier:

Q. Suppose you strike out the first words.—A. What is that?

Q. Suppose you strike out the first sentence.—A. You say strike it out?

Q. Yes. You will have still, "any articles that may serve as proof of the crime" and so on.—A. Certainly.

MR. MARIER: So a man arrested with \$100,000 of Victory Bonds can be brought in the United States with the money because the people arresting him may think the money may serve as a proof of the crime, because we do not

know yet what is the crime and what are the circumstances of the crime. So as a matter of fact, the same thing will happen.

By Mr. Marquis:

Q. If he is on a charge of conspiracy and those 100,000 shares are the gist of the offence, what will you do?—A. Well, if that can be shown, then they can be taken back; because if they are the gist of the offence, they are something that go to prove the accuracy of the charge in that case. But we do not use that language. We put in “anything that might go to prove the offence”—we put that in, but we pile on top of that language which I do not know the meaning of. I do not know what it means when you say, “all articles” in addition to anything that might prove it; you may take those as well.

By Mr. Marier:

Q. May I call your attention to the French version, Mr. Slight? Have you read the French version? If you have you will come to the conclusion that it is different.—A. I wish I could.

Q. The French definition is this, anything which is found on the person, in possession of the person, and any article which can be used as proof.—A. “And” is the word.

Q. It does not mean something he has in his possession. It is something that can be used as proof. It is the meaning also of that article, because it says “All articles which were in the possession of the person to be surrendered, and any articles that may serve as proof.” It must be something which is not in his possession at the time.

Mr. MARQUIS: They might be handed over.

The WITNESS: That is a new thought. I still, with all the help you are trying to give me, cannot find any use for those words when in the second sentence you have made provision that we must surrender with him anything that may serve as proof, whether in his possession or not, but more “all articles found in his possession,” and I would insert the words, “although they have nothing whatever to do with the proof of the offence.”

Mr. MARIER: Oh, no.

The WITNESS: Or with the proof of the crime.

Mr. MARIER: Oh, no.

The WITNESS: That is what they mean.

Mr. MARQUIS: As a matter of principle, when we arrest somebody, have we the right to seize the things which he has in his possession? That is the point.

The CHAIRMAN: In certain cases.

The WITNESS: I think when you arrest him on an extradition warrant, unless our law had provided for surrendering up his property—and that gets into “property and civil rights”—as well as his person, I do not think you have any right to send any of his property over there. But Canada saw fit to make a law, section 27, that if at the time of his arrest there is property of his found on him, which may help to prove the crime, we are agreeing that you can not only send his body but you can send that property of his out. But here we are stepping into something that is away beyond that. That is my complaint.

By Mr. Marquis:

Q. But take the other point of view, in the case of extraditing somebody from the United States and bringing him to Canada. We want to have proof of his crime, so we want to have his body and the articles that he had in his possession in order to make the proof,—everything he has. If you have not those articles, what would you do with the body here?—A. Answering that,

under the present law, section 27, you can bring those articles here with the body. You can bring them here. But should we go into the United States and bring some article such as an insurance policy on his home or a life insurance policy in favour of his wife? That would be blackmail to bring that over here because he is charged with taking an order for a thousand shares of Hollinger. I cannot in my mind reconcile Canada solemnly agreeing to such drastic surrender of man's personal property which has nothing to do with the offence with which he is charged.

By Mr. Coldwell:

Q. I agree with Mr. Slaght, but I cannot put that interpretation upon this clause.—A. Well, if you can escape it, I should like to know how.

Q. I mean, with the extradition treaty that he has read. There may be something in the Criminal Code, but the words that seem to remain with me are the qualifying words, "in so far as this may be permitted by the law of the requested country",—by law of Canada. That is what I cannot get over.

By Mr. Adamson:

Q. Suppose you amended this clause by striking out the first sentence, so it would now read, "all articles that may serve as proof of the crime or offence, shall be given up when the extradition takes place, in so far as this may be permitted by the law of the requested country?"—A. That would do it.

Q. Is there any objection to that?—A. No. That is striking out the earlier sentence.

MR. HACKETT: That is the law now.

THE WITNESS: That is the law now. You could say, to make it perfectly clear what our intent was, that was subject to the rights of third parties. But Mr. Coldwell points out that probably the law of Canada would enable the rights of third parties to be protected but not his own rights in the \$100,000.

By Mr. Marquis:

Q. Which law, Mr. Slaght, will provide that we get those articles after a man is arrested?—A. Which law? By adding just what the gentleman suggested there, by eliminating from article XII the earlier sentence "all articles which were in the possession of the person to be surrendered at the time of his apprehension"; strike that out entirely and just leave it to read as the law of Canada now reads, "any articles which may serve as proof of the crime or offence in his possession at the time shall be given up when the extradition takes place so far as this may be permitted by the law of the requested country"; and that probably drags in the safeguard of "subject to the rights of third parties."

Q. Let us go a step further. Suppose you arrest a man. He is here. You find that some articles may serve as proof of the crime. How will you get the articles to make the evidence before the court? Through which article?—A. You get them right now under the law. We passed an Act, or parliament passed it, saying that we will surrender any article which may serve to prove the crime. That is the law now.

Q. If we have not them, if we have not those articles when he is arrested, when can we get them?

MR. MARIER: If he has not those articles in his possession. Suppose they are at home.

MR. MARQUIS: Through what channel can we get them after he is arrested and he is in the country here?

MR. MARIER: You can say maybe any articles found in his possession or elsewhere that may serve as proof.

MR. COLDWELL: What is the definition of the word "possession"? Does it really mean in his personal hands? Does it mean on his person?

Mr. MARQUIS: Not necessarily.

Mr. COLDWELL: Or does it mean that which he may possess?

The WITNESS: I am speaking subject to correction of the lawyers present. Suppose it is the case of a man in Winnipeg, a bond dealer, and the officer executing the warrant goes into his office. He is sitting at his desk and there, on his desk in front of him, are certain articles which might serve as proof. It is his office, his name is on the door. Or suppose they are in any of his files. You can go into his files behind him in his filing cabinet, because they are in his possession. "Possession" does not mean in your hand nor in your pocket. It means in your physical control for the moment. That is my view.

By Mr. Fraser:

Q. Even in a vault?—A. I think so if it is his vault. If it was a partnership vault a question might arise; but if it is his own vault and he is the lessee of the premises, I think it is in his possession.

By Mr. Marquis:

Q. And under his personal control.—A. I think if it is in his vault that he owns, and it is in his office or in his house or locked up in his private desk, it is in his possession. That is my interpretation of "in the possession of". So that anything in his possession, or as our section reads now, "everything found in possession at the time of his arrest which may be material as evidence in making proof of the crime." We have safeguarded our American friends in coming over here in taking not only the body but everything there is but even may be. But nobody is going to tell me that \$100,000 worth of Victory Bonds, which have nothing to do with the transaction, are proof of the offence. That is the point, gentlemen. I do not want to elaborate it. We can be paternal. We can be friendly with our neighbours. But we have got to be very hesitant about interfering not only with the person of Canadian citizens hereafter but of their property as well; and this I put as a vicious attempt to make it possible to remove property belonging to a Canadian and take it to the States, which has nothing whatever to do with possible proof of the crime.

By Mr. Beaudry:

Q. May I ask a question there, Mr. Slaght?—A. Yes.

Q. What authority will determine what constitutes possible proof or possible eventual proof at the time of the arrest?—A. I think that is very simple. Under our present machinery a man who is arrested is taken at once by the arresting officer—he is taken to jail and then he may have a hearing before a Canadian commissioner, a magistrate or a judge of the county court. I think it is the county court judge. I have not had a case for 20 years.

By Mr. Hackett:

Q. Who has been appointed under the Act.—A. Who has been appointed under the Act. He is a Canadian official. The question now before him, under the present law is this. That Canadian official, if there is a question about this \$100,000 worth of bonds, is bound to enquire "Can those serve as proof of the crime?" If so, we have agreed to surrender them now without any change in the law. But if we make this new law, the Canadian official is bound to say, "What about those articles which I cannot see have any possible relevance to the crime? I am only here to administer the law as a magistrate or judge, but the parliament of Canada has said that I have got to order that they all go over to the States as well," and you ruin the man over night. That is the point.

By Mr. Jaenicke:

Q. Suppose he is a man who cracked safes, or something like that? Do you not think the law would be all right in that case?—A. Certainly, because

there would be proof. If he was found with bonds from the safe on him, the property of the man who was robbed, there would be absolute proof of the commission of burglary.

Q. Suppose the bonds were not involved in that particular safe cracking. Why should they be taken away?—A. Then the safe-cracker—I am not here to defend safe-crackers.

By Mr. Hackett:

Q. That would be reason for another charge?—A. Yes, you can lay another charge.

By Mr. Marquis:

Q. If you agree with the views of Mr. Coldwell under the last part of the article, "In so far as this may be permitted by the law of the requested country" you could not take any articles if it is not permitted by the laws of the country. If you arrest a man and bring him back to Canada you must be entitled by the law of the country to require those articles; is that right?—A. No, because the treaty is promising the United States that we will send over with him the articles found in his possession. That is what creates the inconsistency.

Q. This last part refers to the two first parts of the paragraph, I think, "In so far as this may be permitted by the law of the requested country." Taking the point of view of Canada if our country requests articles we are entitled to get them.

Mr. MARIER: Not unless it is permitted by the law of the United States.

The WITNESS: We are reversing it.

Mr. MARQUIS: Canada is the requesting country.

The WITNESS: Requested; I was trying to keep it simple by taking the Winnipeg case. We are requested country when they come here; they are requesting. I have kept away from these phrases because they are a little confusing. Now, gentlemen, I do appreciate your putting these problems to me.

By Mr. Marquis:

Q. On the other hand if the law of Canada does not permit the giving back of these articles they cannot give them back?—A. The law of Canada is silent about all articles. The treaty pledges Canada to send all articles in the possession. Are we putting that in there to fool our neighbours or what is the reason for it? Will anybody tell me the reason for it?

Mr. MARIER: I would put that the other way, all articles in possession of the person or elsewhere that may serve as proof.

The WITNESS: I do not object to that. If you will amend it that way I do not object, but it does not read that way now. It says:—

All articles which were in the possession of the person to be surrendered at the time of his apprehension, and . . .

That means something more, or it means what goes before is something more than what now follows. What now follows is:—

. . . any articles that may serve as a proof.

I say you have tacked something in front of that which means something more than articles which may serve as proof. That is the point at all events, right or wrong.

By Mr. Marier:

Q. So it will be up to the judge to decide what the articles would be?—A. Would it be? The judge is told by the parliament of Canada that it is all articles in his possession regardless of whether they serve as proof, and all

articles that serve as proof. The judge will say, "I did not make this law. I do not think it is a very good law but I have to carry it out." Everything he had at the time he was arrested would have to go with him.

By Mr. Coldwell:

Q. Would he not be likely to see what was permitted by the law of Canada?—A. Yes.

Q. Would he not find certain limitations?—A. He might, but what would he say? Put ourselves in his place. What would he say as to the meaning of all articles in his possession and all articles which may serve as proof? There is a law of construction that we lawyers argue sometimes that you must give effect to every sentence in a statute or treaty. You must give effect to all of them. Do not say it does not mean anything. It was put there for a purpose, and with the disjunctive "and" there are first of all the articles in his possession and then all articles which may serve as proof. The magistrate or judge has to try and find a meaning for those phrases. In doing so I think probably he would be justified in saying everything that this fellow has on him he will send over there with him. That opens the door to blackmail, gentlemen.

Q. Not being a lawyer if I were interpreting that in a common sense way I would say that you cannot take anything over that is not permitted by the law of Canada. I am discussing that purely as somebody who is not a lawyer.—A. I will get you to defend me if I am ever extradited. Let us look at it this way. Is what I am putting to you absolutely clear that I am wrong?

Q. Yes.—A. If you are quite clear I am wrong in that possibility happening then pay no more attention to it, but if you think it raises a very nasty question which may mean an abuse of the freedom of property of a Canadian citizen then let us strike it out of here and have no lawyers' arguments about it. Let us make it crystal clear. When I file my amendments I will ask you to substitute section 27 for article 12. Then there is no doubt about it.

By Mr. Jaques:

Q. Suppose you struck out in the second line of article 12 the words "and any articles"?—A. I do not think so. If you think there is a danger in what I am suggesting to you then to clarify it and make it accord with our law all you have got to do is say, "We ask the United States to substitute section 27 for article 12." I believe they would do it.

Mr. HACKETT: There is another answer that may be given to the gentleman who asked the question. That is this. The treaty calls for the surrender of all articles in the possession of the gentleman and for any article which is not in his possession.

Mr. ADAMSON: And the word "permitted" applies only to the second part of the article.

Mr. MARIER: In my opinion it applies to the two sentences.

Mr. ADAMSON: At least there is a question of doubt there, and I think it should be removed.

Mr. FLEMING: There is no question that in a measure of this kind we must leave no ambiguity. The subject is entitled to know his rights under the law. If we were legislating in the matter of crime we would insist that the language be crystal clear. What we are doing now is purporting to extend the territorial effect of definitions of crime. It is absolutely imperative, in my opinion that the language be crystal clear. There is ambiguity there, and at the very least that ambiguity must be removed.

The WITNESS: That is my point, gentlemen.

The CHAIRMAN: Of course, later on when we have the suggested amendment of Mr. Slaght then we will have both of them to compare.

The WITNESS: I will try to have it in the morning. You have not got the statute before you like I have, but I believe it will commend itself to you as fully covering the field. If it does, let us get rid of ambiguity because you are dealing with a very important matter, the property and civil rights of the subject. If we are going to make Canadian citizenship mean something, as you hope to do at this session, I believe we should see it is protected as well as set up. I think that is about all I want to say to you now. Let me make this suggestion. This is not a suggestion which I put out with great assurance but I do put it. When Mr. Read produces the opinion of the attorney general of Ontario that it is an infringement of the rights of provinces, and when we have the Dominion-Provincial Conference about to assemble next week, as I was told at noon today, something like this might go in your report if you think it is proper, that there should be submitted to the provinces for consideration at the Dominion-Provincial Conference the treaty and protocol and the proposed changes therein. I would hope to find at least some of those changes embodied in your report to parliament. There is the place to send it right away and let the provinces have their say. If they want this treaty then perhaps they will agree to pass supplementary legislation under the guise of property and civil rights and say, "All right, we are with you, dominion," but if they do not then you will be tangled in the supreme court.

The second suggestion is that this committee might think when the point of constitutionality is raised—and I should like to have given you the case in greater length, but I gave you the gist of it—that you cannot by making a treaty cloak the dominion with power that would be an invasion under the B.N.A. Act on provincial jurisdiction. If that be so why get ourselves in a jam with the United States? Afterwards some citizen may take it to the Supreme Court and say it is *ultra vires* and then the Supreme Court of Canada or the Privy Council may say that it is *ultra vires* of Canada. Then we have got to communicate with the United States and say, "We handed you some nice looking proposals and agreed to them but now our Supreme Court and Privy Council say we had no right to do it without consulting the provinces." Let us avoid that possible dilemma.

I know that everybody in this parliament regardless of party desires to help iron out the vexed problems of provincial and federal jurisdiction. It would be a nice gesture to say to the provinces at the conference, "We would like your views on this because one province, Ontario, has said it is unconstitutional." What harm can come from that course, gentlemen? I suggest it to you with the greatest deference and respect.

I do thank you for the very patient and courteous hearing you have given to me. I will try to have for you tomorrow morning in exact language the short amendments we suggest should go into the treaty. I do not want to be met by somebody saying, "Oh, we cannot go back to the United States again." Why can we not? They never put a pen to a treaty until Congress has approved the treaty by a two-thirds vote, as I understand their constitution. They will understand we have been doing it backwards foremost for some time over here. If we decide there is a new technique required along the lines of the language I read to you in 1932 Hansard let us have the courage to say so and recommend it to parliament. Let us get our statute and our Extradition Act amended accordingly and have the treaties come here first and then be signed afterwards so that nobody can say, "Oh well, we would be regarded as bad boys if we do not carry out exactly what we signed on the dotted line."

Look what happened at Washington in 1942. When they got over here on October 3 Mr. Atherton and our very able Minister of Justice found there

were two things in there that were hideous, that the publisher of an ordinary newspaper plying its trade could be extradited if the paper contained an ad of a mining nature and went over to the United States. That was any kind of paper. We had to correct that. If it is fair to say that those two frailties were discovered and corrected, and if I have not just been talking nonsense but have given you some very real problems from the standpoint of Canadian citizenship both as to the body and property then we will lose no face by respectfully going back to the United States authorities and saying, "This is what the House of Commons thought about it. Will you be kind enough to reconsider?" In that connection, I point out to you we have got to go back to the Congress of the United States anyway for them to approve the protocol. We can surely go back to them and say, "Please consider this with us again." I believe you will be doing a great service to our newly found Canadian citizenship by adopting that course.

Mr. HACKETT: In any event the protocol has not been ratified by Congress.

The WITNESS: No, and it has to go back before it can become a mutually binding agreement, so you are not just sending it back to Congress with something that did not need to go anyway. You are going back with what I believe would be sound suggestions embodied in your report and asking them to consider them. If Congress says, "No, they are out, we will not do it", that raises another problem, but surely we should not sit idly by—and permit treaties to be made with clauses which are shocking and then say that because somebody signed them for us we must not think for ourselves. Our own Minister of Justice said that this was no mere pro forma or perfunctory approval.

The CHAIRMAN: I believe I am voicing the sentiments of the members of the committee in expressing our appreciation for the forcible and clear way in which Mr. Slaght has brought to our attention some of the shortcomings that he believes we have in the present treaty. No doubt it will be of some guidance to us in the recommendations which this committee will be making. It is twenty-five minutes to six. I believe it would be in order—and I hope that you will agree with me—that we should now call on Mr. Sedgewick and give him a chance to start, anyway.

Mr. MARIER: As to the question raised by Mr. Slaght it may be that we have no power. It may be that the federal government has no power to pass a treaty of that kind because there are provincial rights involved. Maybe it should be proper to ask the opinion of the Minister of Justice.

The CHAIRMAN: Yes, we will do that.

Mr. MARIER: And let us get that opinion as soon as possible because there is no use discussing it if we have not power to pass it.

The CHAIRMAN: We will bring that in parallel with the recommendations we will hear from now on. I will now call on Mr. Sedgewick.

JOSEPH SEDGWICK, *Counsel for the Prospectors and Developers Association, called.*

The WITNESS: Mr. Chairman and gentlemen: I am appearing here on behalf of the Prospectors and Developers Association which is an association composed in the main of the people who have been responsible for the finding and for the development of our mineral wealth. Before I say what I want to say on their behalf, we have with us this afternoon Mr. J. J. Kingsmill, who is secretary of the Investment Dealers' Association, an association composed of those financial firms that deal in government securities principally.

Mr. Kingsmill has handed to me and has asked if I would be good enough to read and file with your chairman a copy of a letter which that association sent in November of 1942 to the Prime Minister and to the Minister of Justice

expressing their views about the proposed new treaty. And I think I may say that the views that they then expressed and the views they held are not in any way altered by the protocol that was since signed. This is the letter:—

November 14, 1942.

To Rt. Hon. W. L. MACKENZIE KING, C.M.G.,
Prime Minister and Secretary of State for External Affairs
and to Hon. L. S. ST. LAURENT, K.C.,
Minister of Justice.

Re: New Extradition Treaty between Canada and the United States

It has been drawn to the attention of The Investment Dealers' Association of Canada that the proposed new Extradition Treaty between Canada and the United States of America contains an article to the following effect:—

ARTICLE III

Extradition shall be reciprocally granted for the following crimes or offences:

32. Crimes or offences, if indictable, against the laws regulating
- (a) public securities markets, or activities affecting such markets;
 - (b) registration or licensing of securities or of persons or companies doing business in securities, or giving advice with respect thereto;
 - (c) investment or public utility companies.

At the present time a considerable volume of business in high grade securities is carried on by letter, telegram and telephone between members of The Investment Dealers' Association of Canada and purchasers of securities in the United States of America, as a result of which a considerable amount of money is brought into Canada for investment in Canadian securities. It would be unfortunate if this flow of money into Canada and legitimate business of this character were interfered with by legislation designed for the purpose of more easily apprehending fly-by-night dealers in spurious securities. Undoubtedly such legitimate business might be seriously impeded through fear on the part of a Canadian dealer of becoming subject to the operation of the proposed Extradition Treaty by reason of an inadvertent violation of a law of some state of the United States or some federal law of the United States of America, such as laws governing the registration of dealers and the registration of securities.

Security laws in different jurisdictions are difficult of interpretation, especially in international transactions. These laws are constantly undergoing change, both by legislation and by rules and regulations made from time to time pursuant to existing regulation and it would be quite impossible for dealers in securities in Canada to be always aware of the law and the various amendments of the law relating to the sale of securities in the United States and in the various states of the union. In addition, in international transactions difficult questions arise as to where the business is actually done, including questions relating to the place or origin of the transaction, the place of completion of the transaction, and the place of delivery of and payment for the securities in question. In consequence, a transaction entered into by a Canadian dealer which might be entirely proper according to the laws of Canada or a province of Canada might constitute an offence under the laws of the United States or of some state in the United States if the transaction in question could be regarded as a United States transaction.

It seems highly inappropriate, therefore, that an Extradition Treaty should apply to offences arising out of transactions in securities unless

the transactions in question constituted offences both by the laws of Canada and the laws of the United States of America.

Hertofore it has been a principle of extradition legislation as between Canada and the United States that extradition should be granted only in cases where the crime committed in the country requesting extradition would also be a crime in the country from which extradition is sought. There are obvious crimes, such as murder, rape, forgery, etc., which are generally repugnant to the moral sense and which sovereign jurisdiction are anxious to co-operate in an endeavour to suppress. The proposed treaty, however, in article IX specifically provides that it shall not be essential to establish that the crime or offence would be a crime or offence under the laws of the requested country, that is, the country from which extradition is sought. While such a change in the law might conceivably be appropriate in respect of serious crimes such as those referred to above, it seems extraordinary that it should be extended to offences against the security laws which are of a highly technical character and in respect of which the laws of the various states of the union, the laws of the United States of America and the laws of the provinces of Canada show such a striking lack of uniformity.

While there is a certain amount of uniformity in the security laws of the various provinces of Canada, they are not uniform with the security laws of the various states of the United States, nor are the latter uniform with each other or with the federal security laws of the United States. There are no federal security laws in Canada which in any way correspond with the United States Securities Act of 1933 and the Securities Exchange Act of 1934. What might be an entirely innocent transaction if carried out in Canada might, if held to have taken place in the United States, constitute an offence against the laws of the United States of America or of some state of the union. In addition, the treaty refers to extradition in respect of indictable offences, whereas, offences against the security laws of the various provinces of Canada have never been made indictable.

Take as one outstanding example the sale of bonds of the Dominion of Canada. Outside the provincial laws relating to the registration of dealers, there is no legislation in Canada which would prevent the unrestricted sale of Dominion of Canada bonds, whether of old issues or of new issues. On the other hand, it would be an indictable offense against the federal laws of the United States of America to sell or attempt to sell a new issue of Dominion of Canada bonds to the public of the United States of America without registration under the United States Securities Act of 1933. An example of this character shows the serious nature of the proposals in question.

The Investment Dealers' Association of Canada accordingly submits that it would be undesirable that article III (32) of the proposed treaty should be ratified.

All of which is respectfully submitted.

THE INVESTMENT DEALERS' ASSOCIATION OF CANADA,

(Signed) H. E. COCHRAN,
President.

And, now, turning to the business of my clients, the Prospectors and Development Association of Canada, I should say at the outset that this is not merely a game. The Prospectors and Development Association includes in its ranks, I think every prospector in Canada of any account. It includes practically every geologist. I am informed that the president of every

chartered bank of Canada is a member. Most of the big mines, the big producing mines, are members, and most firms interested in mining as suppliers of machinery or in any other substantial way belong to the Prospectors and Development Association; and it can truly be said that they represent mining in the broadest sense of that word. Might I also point out that the 1945 executive of the association includes such names as Pierre Beauchemin the discoverer of the Sullivan mine; Gordon Calder, of the Belleterre Mine; Arthur Cockshutt and Fred C. N. McLeod, of the McLeod-Cockshutt Mine; Jules Cross, of Steep Rock, Mr. Charles Labine, one of the co-discoverers of Eldorado, and a number of other prominent prospectors, people who have spent their lives trying to discover and to exploit the mineral wealth of this country.

As to the objection that my clients make to the treaty, before I dealt with the practical side of their objection, may I refer very briefly to one or two matters that were raised during the discussion that Mr. Slaght had with members of the committee. Some mention was made of article 11 of the treaty, and Mr. Slaght referred particularly to the last paragraph of the first sentence of article 11, which contains the provision that during the period of detention the legal officers of the requested country are to oppose release on bail of such an accused or convicted person. And I think it was Mr. Coldwell who said that in his opinion that did not seem radically to alter the present practice, in that it would still be a matter of discretion for the magistrate or judicial officer before whom the apprehended person appeared. With the greatest possible respect, I do not think that is so. For a period of some years I was concerned on the Crown side of the law with the prosecution of alleged offenders, and this I can say (and I think any one who has ever had anything to do with criminal prosecutions will agree with me) ordinarily speaking, bail is almost a matter of right, and when a man is apprehended the only question is, can he give sufficient security to ensure that he will appear for trial when called on. Once you insert in a treaty a provision to the effect that bail is not a matter of right any more, but that it is the exception and not the rule, one may be quite sure that all prosecuting officials, when the question of bail is raised, will read the treaty, will read the section, and then say, "my instructions are to oppose bail"; because it is quite impossible I should think for a prosecuting official to know at the outset of a case whether the denial of bail would cause an injustice or not. It would be difficult for him to have an opinion at that stage. So that what will happen in every case is that the prosecuting official, quoting the language of the treaty, will oppose bail. And this I may say with considerable confidence, that in 999 cases out of 1000, magistrates do what the prosecuting official suggests, certainly in matters of bail; and if the prosecuting attorney opposes bail one may be reasonably sure that the magistrate would refuse bail. That would have the effect of permitting a man to be arrested, not as a result of a formal warrant, but merely as the result of a telephone call or wire. He would be lodged in jail for any period of time up to 60 days. Bail would be refused him, because we could be certain that it would be refused if this language remains in article 11. And then at the end of the 60 days the requesting official in the United States could merely say, "oh well, we have probably punished him enough, we won't bother, he may be turned loose." I say that is completely contrary to former extradition practice and is wholly wrong. It would permit officials in the United States to follow and punish any Canadian citizen they cared to punish, and then proceed no further; and to punish a man whether he be innocent or guilty by having him held in custody, 20 days, 30 days, 40 days, 50 days or 60 days, without any trial, without even a charge being brought against him at all. If you read article 11, you will see that he can be picked up on a telephone call or a wire and

lodged in jail without bail, and then they are not obliged to proceed immediately, they can proceed in any time up to two months, and if they do not proceed he is then released. It is a shocking affair. In circumstances such as I have outlined a man could spend the whole period of 60 days in jail and never know with what he had been charged, and of course without ever having been found guilty of any thing.

Then, may I turn to the controversial article 12, which Mr. Slaght was discussing at some length; and before I say a word about article 12, let me make this general observation: Mr. Read, in the submission that he made to the committee at his opening, pointed out that the paramount document is the treaty, and that the treaty supersedes the Extradition Act; that must be borne in mind.—the language of the Act itself, which by section 3 provides that it shall apply throughout the continuance of the arrangement—and, I am quoting—

This Part shall apply during the continuance of such arrangement; but no provision of such Part, which is inconsistent with any of the terms of the arrangement, shall have effect to contravene the arrangement; and this Part shall be so read and construed as to provide for the execution of the arrangement.

I read that because it should be clear in any discussion of the proposed treaty that the paramount document is the treaty itself and not the Extradition Act, and where there is any clash as between the Act and the treaty, the treaty is the document to which we must look. Bearing that in mind, and turning to article 12, one may ask, as I did: how did this ever come to be in the treaty in substitution for the moderate and time tested provision of section 27 as appearing in the Extradition Act? I asked Mr. Read how it came about that article 12 was inserted and he pointed out to me that it is almost precisely the language contained in the treaty made in 1931 between the United Kingdom and the United States, and he added—and of course he can speak for himself—he thought that for that reason it was inserted in the present treaty without any great consideration, which is natural; it is always easier and usually better to adopt existing legislation rather than trying to frame something for yourself. Of course, the situations are completely different. The extradition treaty between the United Kingdom and the United States does not, as my recollection is, contain any provision similar to items 26, 31 and 32 of our proposed treaty, and I think one may safely say that so far as extradition between the United Kingdom and the United States is concerned it would almost inevitably be a matter of returning to his own country a national of that country. That is, the United Kingdom would demand from the United States people who had committed crimes in England and had fled to the United States, and the United States would demand of the United Kingdom people who had committed crimes in the United States and had fled to the United Kingdom. In those circumstances, it is, of course, logical—it is, I think, right—that when a man is returned, shall we say, from the States to England, everything that he has should be sent back with him. That is where he belongs, and that is where his property belongs, and that is why this provision, this article 12, appeared in the treaty between the United Kingdom and the States, and properly so. Because when a man is sent back from the United States to England where his home is his property should go with him, and vice versa, when a man is sent from England to his home in the United States I think it only reasonable that his property should go with him. But that is not the situation if this treaty goes into effect, and the danger that we apprehend, and the danger that Mr. Slaght set out is very real if this treaty is passed. It is not only possible; it is probable and likely that people living in Canada, Canadian citizens who have never left Canada, might be taken out of this country and taken to the United States for trial. As I say,

that is not merely possible, it is probable and likely, if the treaty and protocol in their present form are passed.

So that is a completely different situation from the situation as between the United Kingdom and the United States. We are breaking new ground with this extradition treaty, and the case which Mr. Slaght postulated is a quite likely one—that is, that a Canadian citizen such as Mr. Crawford, who deals in securities may for some reason or another be picked up on an extradition warrant; he may have \$100,000 or a half a million dollars in securities in his pocket or in his brief case, and he may not have been in the United States for ten years, and yet, under article 12, everything he has on his person or in his possession at the time of his arrest must—and I stress the word “must”—it must, as I read the article, go to the States with him; it must be shipped over.

Mr. MARIER: This should be amended, according to the general opinion.

The WITNESS: If it is the general opinion, I am wasting my time. Mr. Slaght's amendment is that we should take out article 12 and put back the provisions of the Act. We should substitute for article 12 section 27 of the Act. That is all; or alternatively eliminate article 12 in which case section 27 of the Act would apply and that would avoid any redundancies.

Mr. SLAGHT: Would you leave that to me for reply because to some of that I am offering an amendment to make it apply only to a United States citizen who has fled and leaving Canadians out and in one or two others I am asking that they go out altogether.

The CHAIRMAN: It is just five minutes to six, are you nearly finished?

The WITNESS: This would be a very good place for me to stop.

The CHAIRMAN: Gentlemen, we have had a fruitful and interesting meeting and I thank the members of the committee for turning out in such large numbers. We will adjourn until tomorrow morning.

The committee adjourned to meet tomorrow morning, November 23, at 10 o'clock.

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Committee on External Affairs, Standing
Committee on 1945

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ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

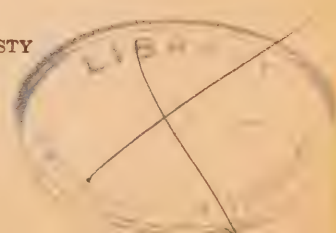
No. 6

FRIDAY, NOVEMBER 23, 1945

WITNESSES:

- Mr. Joseph Sedgwick, K.C., Counsel for the Prospectors and Developers Association of Canada;
- Mr. Ralph Salter, K.C., Counsel for the Ontario Security Dealers Association and the Toronto Board of Trade;
- Mr. Slaght, K.C., Counsel for the Stock Exchanges;
- Mr. John H. Roberts, Editor of the Canadian Mining Recorder.

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1945



MINUTES OF PROCEEDINGS

FRIDAY, November 23, 1945.

Room 429

The Standing Committee on External Affairs met at 10 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Benidickson, Blanchette, Boucher, Bradette, Coldwell, Fleming, Fraser, Adamson, Hackett, Jackman, Jaques, Jaenicke, Leger, Low, MacInnis, Marquis, Marier, Sinclair (*Ontario*) and Dechene—(19).

In attendance: Same as meeting of Thursday, November 22.

(*See minutes of proceedings*).

Also, W. R. McDonald, M.P. (*Pontiac*), and A. C. Casselman.

Mr. Hackett read a telegram from K. L. Patton of the Vancouver Stock Exchange addressed to Mr. Pearkes, M.P.

Mimeographed copies of a letter from the Ontario Government to Honourable Mr. St. Laurent relating to the Extradition Treaty were tabled by Mr. Read and distributed.

The Committee continued its consideration of the Extradition Treaty and Protocol thereto.

Mr. Joseph Sedgwick, K.C., counsel for the Prospectors and Developers Association of Canada was recalled.

He concluded his submission in the course of which he tabled three documents relating to the registration of mining shares as provided by the Securities Act, 1933, State of Philadelphia, U.S.A. He read the following telegrams:

1. From C. F. Willis, State secretary of the Arizona Small Mine Operators Association to Mr. S. Norman.
2. From R. S. Palmer, secretary of the Colorado Mining Association to Mr. S. Norman.

The witness tabled a copy of the following telegrams, quoting partly from the first two:—

1. From C. E. Newmeyer, Editor of the *Mining Record*, to Mr. S. Norman.
2. From J. P. Hall, Editor of *The Western Mining Council Incorporated* to Mr. S. Norman.
3. From F. E. Woodside, British Columbia and Yukon Chamber of Mines to Mr. S. Norman.
4. From Lucien Tourigny, Val d'Or Chamber of Commerce to Mrs. V. MacMillan.
5. From A. Ritchie to Mr. S. Norman.
6. From The Kiwanis Club of Kirkland Lake Incorporated to Walter Little, M.P.

Mr. Sedgwick was retired.

Mr. Ralph Salter, K.C., counsel for the Ontario Security Dealers Association was called and examined.

His brief, presented as well on behalf of the Toronto Board of Trade, was distributed

Messrs. Sedgwick and Slaght were recalled and supplied answers on extradition procedure. They retired.

Mr. Salter read letters from the Toronto Board of Trade and addressed to himself, to the Prime Minister and to Honourable Mr. St. Laurent. He also read a letter from the Securities Commission of the State of New Mexico addressed to the Ontario Security Dealers Association.

The witness quoted a paragraph from a communication of the Office of the Secretary of State of the State of Illinois.

On motion of Mr. Adamson, it was *resolved* that Mr. Salter table copies of the Acts respecting registration of securities in forty States of the United States presently in his possession.

(Acts filed with the Clerk).

Mr. Salter quoted from a letter of the Ontario Attorney General to the Minister of Justice, forwarded in 1942, and retired.

Mr. Slaght was recalled. He read a statement respecting United States capital invested in Canada, this being an extract of the Canada Year Book.

As promised, he distributed and commented on suggested amendments to the extradition Treaty and retired.

Mr. John H. Roberts, Editor of the *Canadian Mining Recorder* was called. He expressed his opposition to the passing of the Treaty in its present form and retired.

The Chairman invited the members of the Steering Committee to remain after adjournment to discuss the sequence of the witnesses yet to be heard.

On motion of Mr. Leger, the Committee adjourned until Monday, at 10 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

November 23, 1945.

The Standing Committee on External Affairs met this day at 10.20 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Order. Mr. Hackett would like to put on the record a telegram he has received.

Mr. HACKETT: Mr. Chairman, the telegram about which I spoke to you was addressed to General G. R. Pearkes, from the constituency of Nanaimo, by the Vancouver Stock Exchange; and with your permission I would like to read it:—

General G. R. Pearkes, M.P.,
Ottawa, Ontario.

We understand that extradition treaty and draft protocol with the United States is coming before external affairs committee tomorrow stop we respectfully submit that the chief objections raised by Canadian exchanges, prospectors' associations and other responsible bodies be emphasized as follows stop

It still provides for extradition for purely technical offences by Canadians of endeavouring to sell securities in the United States without registration under federal and state securities acts stop we greatly fear that if the treaty and protocol are ratified irreparable harm will ensue to legitimate Canadian business stop we respectfully suggest that it is unthinkable that established Canadian Securities dealers should be expected to involuntarily relinquish constitutional rights by submitting to laws and regulations of any foreign nation or its individual states especially as such regulations are partially or wholly unknown in Canada stop It is suggested further that the New York Stock Exchange and all other American exchanges or bond dealers associations would consider intolerable legislation on the part of Canada likely to bar out the sale in Canada or any American securities lacking registration under the securities acts of the Dominion or any province? particularly when contravention would constitute an extraditable offence stop Canada is relatively undeveloped and American funds in quantity are welcome but cannot possibly be honestly solicited if each and every enterprise requires registration under one or forty-eight securities acts stop we believe in upholding the sovereignty of Canada, and wish to register our emphatic protest against any such encroachment against Canada.

(Sgd.) President,

Vancouver Stock Exchange,

K. L. Patton.

The CHAIRMAN: I now call the meeting to order. I want to thank the members who have found it possible to come here so early on Friday morning, I believe it will be impossible for us to sit this afternoon because some of our members have to be away, but we hope that we will be sitting on Monday, meeting at 10 o'clock, and have two meetings on Monday, and if possible two

meetings on next Tuesday; and having these four meetings early next week we expect to be through with the witnesses who are at present here. First on our order this morning is to resume hearing the submission by Mr. Sedgwick, and later if we have time we will have Mr. Salter, and Mr. J. H. Roberts. I will ask Mr. Sedgwick to continue.

Mr. JOSEPH SEDGWICK, K.C., *recalled.*

The WITNESS: Mr. Chairman and gentlemen, before I resume, may I echo what my friend and colleague, Mr. Slaght, said; but I welcome questions and interruptions; I am not here to make a speech. I am here with the idea of convincing you. If at any time I make a statement that is not clear, or which raises questions in your mind, I hope you will not hesitate to stop me and ask me to go a little further into that particular point.

When we adjourned last night I had finished discussing articles of the treaty, and if I may now I should like to turn to the protocol, which will be found at page 11 of the little printed pamphlet. The protocol is, of course, an attempt to cure some of the viciousness of the treaty itself, and I merely make this comment in passing; one may think that it is indicative of a lack of full consideration that was given to the treaty that it should be necessary to doctor it with protocols at all. But, sir, turning to the protocol and the alleged protection that it is to give to legitimate Canadian industry I point out to the committee that the first paragraph of the preamble restricts the protection to the publishers or vendors of a lawful publication. I will read it:

Considering that it is desired that said provisions should not extend to the extradition of a publisher or vendor of a lawful publication in the requested country which is primarily intended for sale and circulation in that country, the circulation of which in the requesting country is only incidental to the ordinary course of publication and sale in the requested country.

which is primarily intended for sale and circulation in that country. And now, one may ask why it is that the publishers who are in the main well to do people, should require this protection. But more important than that is that it does not extend any protection at all to the people who avail themselves of the publication. Let us apply that to the advertiser. Let us take any person interested in mining, any one of my clients, a prospector who is establishing an important new mining venture; if he should advertise in the *Winnipeg Free Press* asking that the public should back his endeavour and that paper should be circulated in the adjoining republic, then the prospector, the advertiser, the person who avails himself of the publication, gets no protection whatever, as I read the provision of the protocol.

Then, turning to paragraph 1, that also is a more apparent than real protection. I am concerned here with the prospectors and developers of mines, the people who start the mine at the grass roots and the tremendous difficulties of getting the first dollar, the dollar that really starts him; and I shall tell you later how much trouble they have getting that first dollar; and you will observe that the protective provisions of the protocol do not apply to those people. It reads:

1. No person dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country shall be subject to extradition in respect of any matter involving an offence under Items 26, 31 or 32 of articles 3 of the treaty, unless the offence involves—

- (a) fraud, as defined by the laws of both countries, or
- (b) wilful and knowing violation of the laws of the requesting country.

Now, I take it that that applies to brokers, to those whose ordinary course of business it is to deal in securities, and the protocol undoubtedly attempts to give them some protection; but there is nothing in it that protects the prospector and developer, the accountant or the lawyer or the business man who may have an interest in the mine, who endeavours to secure some part of his capital in the United States. He, no matter how scrupulous he may be in observing the laws of Canada, derives no protection that I can see from the protocol.

Then, I merely mention this in passing, the protection that is afforded even to the limited class of those people who deal in securities in the ordinary course of business is a protection—and I am referring now to paragraph (d) —only where they are not guilty of “wilful and knowing violation of the laws of the requesting country”. And now, I have puzzled over the words “wilful and knowing” and whether they mean merely that a person must know what he is doing, or whether they mean that he must be familiar with the laws of the requesting country I am not prepared to say. But I do say this, that it is the simplest thing in the world to seize a Canadian of full knowledge of the laws of the requesting country. All that is necessary as I see it is that the S.E.C. should send a copy of their regulations to every broker in Canada, send it by registered mail, getting receipt for it, and probably send a pamphlet copy or abridgement of the state regulations; and then I take it that would be taken for purposes of proof in any legal proceedings that a person would be seized of knowledge of the laws of the requesting country, that would be sufficient; and I suppose it could then be said that anything contrary to these laws would be a “wilful and knowing violation” of them. And now that, of course, is virtually no protection at all. It is going to stop completely the flow of American capital into mining and risk venture in this country.

And now, if I may turn to what is so far as my clients are concerned the nub of this whole matter. I am told that approximately half of all the venture capital that goes into the grass roots of our mining properties is American capital; and as I have already said we apprehend a real danger that passage of this treaty will almost completely stop that flow. The point, and this is really the nub of the whole thing, the point is that it is virtually impossible for any new mining venture to comply with the laws of the S.E.C. in the various states.

By Mr. Hackett:

Q. What information is there to justify the statement that 50 per cent of this venture capital comes from the United States?—A. I would tell you where it came from, and I am afraid I cannot support it. About a year ago Mr. W. A. Brant, who was at the time the registrar of the Ontario Securities Commission, made a survey of various applications in the office there and that was the conclusion that he reached, that it was approximately 50 per cent. Mr. Brant is dead, so I cannot call him.

Q. But he was a man with general information concerning the origin of capital?—A. Well, it is impossible to allocate capital accurately, because as you know you cannot determine it merely by looking at the list of shareholders. You may see a Montreal address, and yet the shares may in fact have been owned by people in New York or Chicago. That was the opinion that he reached based on some 15 years' experience as registrar of the Ontario Securities Commission. Whether it is accurate or inaccurate I think this may safely be said, that a very large volume of American capital does go into mining ventures. Whether it be 50 per cent, 45 per cent or 40 per cent, of course is impossible to say. However, I am told by people familiar with matters of this kind that

that is a reasonable estimate, that about half of it is so derived. And, as I was saying, in every state, and the S.E.C. regulations you are not permitted to secure American capital unless you have first a registered and qualified issue under the laws not only of the S.E.C. but also under the laws of the state. I propose addressing the rest of remarks to that question of registration, because you see unless the security is qualified, unless it is registered with the S.E.C. and with the various states, then the sale of that security or the attempt to sell that security or in any way dealing in that security becomes an offence and becomes an extraditable offence.

Mr. SLAGHT: And the broker must also be registered.

The WITNESS: As Mr. Slaght points out, not merely the issue but the person must be registered.

By Mr. Leger:

Q. At this point, would there be anything to stop an American coming here and buying shares in these new ventures?—A. No, sir; and I think if the transaction started and finished in Canada then that would not be a matter which would come under the treaty. But you see, sir, that hardly ever happens. Let us suppose (I have had something to do with matters of this kind) let us suppose an American is interested in a mining venture and comes to Canada, looks at the property and goes over the capital structure and decides to put some money into it. The decision may be made here, but it is hardly likely that the matter would be concluded at that time. He would go back to New York or Chicago. There would be correspondence. There would probably be visits of Canadians to him in New York or Chicago, and so part of the transaction would almost inevitably take place in the states. As Mr. Slaght pointed out yesterday, and as I think the unquestioned law is, if any part of the transaction, whether it be the start or the middle or the finish, takes place in the states, then I think that for the purposes of prosecution the deal takes place in the states and a person concerned in it could be prosecuted there. I think Mr. Slaght will agree with me that that is the law. We have argued about it on a number of occasions, and it is not necessary that the whole of the transaction take place there, it is sufficient if any part of it takes place there. And I think it would be impossible to conclude a transaction, or practically impossible, without some of the negotiations taking place in the states where the purchaser of the security resided.

By Mr. Fraser:

Q. Before you go on, does that apply to all 48 of the states?—A. Yes, Mr. Fraser.

Q. It applies to every state, that is Mr. Slaght's view of the situation too.—A. I must not say every state, I think every state—Mr. Salter who is better versed in the matter than I am tells me that every state has security regulations of its own, and every state requires that you must qualify the security in that state before you can sell the security in that state.

Q. Must register.—A. Register, qualify and register not merely the security, but the broker or person selling the security or offering it for sale.

Mr. ADAMSON: Every state except Delaware. Delaware has no security commission, and that is one of the reasons why so many companies go there for incorporation.

Mr. SLAGHT: And the broker has to put up \$500.

The WITNESS: Mr. Slaght reminds me that the broker has to put up a bond of \$500 in every state. If you want to sell your securities generally throughout the states—

By Mr. Leger:

Q. Are the regulations the same in all the states?—A. Oh, no, no, no; they are radically different. As I shall tell you later, it is not a question of not wanting to qualify the security, it is an impossibility—and I use the word advisedly—it is an impossibility to qualify the security in every state, that is within the lifetime of an ordinary person, it might be done with the years of Methuselah, but not in anyone man's ordinary lifetime could you qualify a security. Each state is radically different; and in order to qualify to sell in any state you must qualify in every state.

By Mr. Jaenicke:

Q. The same is true of Canada?—A. Yes, but we only have nine provinces where they have 48; and there is a difference, and I think this may safely be said, that in Canada if we qualify in one jurisdiction we qualify in the others.

Q. Complying with the requirements of one province does not necessarily qualify you with respect to the others?—A. No, but as a matter of fact, sir, where you have qualified in one province—the provinces have always adopted a reciprocal attitude.

Q. And, with regard to penalty?—A. If the security is selling in Montreal, Winnipeg or Toronto, it is sold throughout Canada without qualification in the other provinces. They are not invariably qualified.

MR. JACKMAN: If a security would qualify in Ontario it would be likely to qualify everywhere. They are the main sources of funds anyway. But as a matter of fact, I think you have to qualify for every province in which you wish to sell your security.

THE WITNESS: You do have to qualify to establish yourself to sell within the province. If you want to sell your issue in Manitoba, or to market your securities there in addition to the general sale in Ontario, I understand it is usual to qualify the issue again in Manitoba. However, it is a fact that any general qualification in one or two of the leading provinces paves the way for qualification in the other provinces. There is no great practical difficulty about the matter; whereas, in the states, you have 48 foreign jurisdictions.

As to the importance of this matter, Mr. Slaght mentioned yesterday the large corporation whose foundation and existence is due to American capital. And, dealing as I am largely with mining, I want to say a word about these mines. I have here a number of copies of a statistical survey which was conducted by the *Northern Miner*, if I may pass them around; and I want to make a few references to them.

As the members of the committee will see, this is a survey entitled "Statistical Background of the Mining Industry". It was prepared, as is pointed out in the first paragraph, for the information of a delegation of American journalists, who came to this country several months ago to see what the hullabaloo was all about; to see whether we had any mines here upon which to base the stock we would sell in the United States, or whether we had only moose pastures. I would ask the members of the committee to read this survey at their leisure because it is an interesting one.

I point out that the mining industry is the second most important industry in Canada. As you will see in the third column, the gross revenue of the mines in Canada in the year 1941 was some \$866,000,000. That amount was exceeded only by agriculture, with a revenue of \$1,431,000,000, in that year, which is the last year for which accurate statistics are available. I am sure that production has greatly increased over the last three or four years and I am sure that at the present time the products of mines are probably the biggest single revenue in the whole country. I also point out that these mines, and I refer to the first column; "Production of some active mines and dividends paid".

These mines, starting out with nothing, have produced billions of dollars. I read such names as Berens River, and Bidgood. Some came into production only in 1940. Dome produced \$139,000,000; Lake Shore produced \$198,000,000. Mines such as that all started with the kind of dollar that is today going into speculative ventures.

By Mr. Leger:

Q. There are also a lot of them that started, but did not finish?—A. Of course, that is true, sir. Whenever you put a dollar into a speculative thing with the possibility of getting a return of one thousand to one, you will always have some misses. Mining is speculative. It always will be speculative. You cannot get returns of one thousand to one.

I want to make this point, that they all start with nothing but hope and prospects. There is nothing yet to make sure that a promising looking surface has anything down beneath it.

Q. But, if they have a good president?—A. Yes, if this thing goes through, it will be difficult to find a president or even a board of directors.

Q. I used to look, in my younger days, to see who was the president of a company, in order to ascertain whether I should invest in that company?—A. Well, we won't get good directors if this treaty goes through, because this treaty, for the first time, makes even participation an offence. I refer to section 33, which says: "Extradition shall also take place for participation or conspiracy in any of the crimes or offences before mentioned or in any attempt to commit any such crimes or offences." That will make it impossible to get a good board for mining companies because people will be afraid to take the risk. I know that as a lawyer I would be afraid to go on the board of a mining company and I would advise my clients not to do so. The probity of the people on a board of directors is the best guarantee you can get for a run for your money.

By Mr. Hackett:

Q. In any event it is a hazardous investment and everybody knows it. All the integrity in the world in a board cannot put gold into a mine, can it?—A. No. All the board can do is to see that the money is properly spent. If the mine is there, they will bring it into production; but if the mine is not there, all they can do is to see to the proper expenditure of the company money.

By Mr. Fraser:

Q. Under section 33, they can take not only the president, but every member of the board of directors as well?—A. Yes, sir. Up to this time conspiracy has not been an indictable offence. Now we can say that all the officials, even the office boy, are conspirators. When the S.E.C. decides to proceed against the company they can indict everybody from the president to the office boy. So it would be a hazardous thing to be on a board, if this treaty goes through.

By Mr. Adamson:

Q. Might I suggest that anybody investing in mines should pay more attention to finding out whether there is an ore body rather than to any other factor. I make that suggestion as an engineer?—A. Of course. At the outset you cannot tell whether there is an ore body or not. Money must be spent, considerable money must be spent, before anyone, even an engineer, is in a position to ascertain whether there is an ore body or not.

By Mr. Jaenicke:

Q. Yesterday you spoke about a Michigan case, where a person who failed to enter an order on the proper form would be liable?—A. Yes, sir.

Q. Would that be an indictable offence?—A. I do not say that they would proceed against the man, but he would be liable. Suppose we take this case: a subscription is secured in Michigan upon a form that does not comply with the Michigan laws. The subscription comes back to the office in Montreal or Toronto, and the directors of the company accept the money and use it. I should think that all the directors of that company could be proceeded against on a conspiracy account because, after all, they are party to the transaction.

By Mr. Marier:

Q. But the transaction took place in Montreal?—A. No. The sale might well have taken place in Michigan. If the invitation was sent out from Montreal to someone in Michigan, I think the prosecution could take place in Michigan. Mr. Slaght cited some cases yesterday and I won't repeat them now. I think it quite probable, if this treaty should pass in its present form, that if a man did business in Montreal and even never left Montreal or went outside the province of Quebec to sell, he could be hauled to Michigan or to New York and be tried there for an offence, simply because he telephoned or wrote letters there.

Q. I am afraid you are going too far when you say so.

By Mr. Jaenicke:

Q. This question of conspiracy is set forth in paragraph 33 of article 111; but our courts would interpret this point on conspiracy according to our own criminal law?—A. Yes, but conspiracy has been given a very wide interpretation even under our own criminal law. When drafting a charge of conspiracy we do not usually rely simply on the criminal code. It is usual to put in a common law count for conspiracy. I am an old prosecutor myself, and I always used to put one in because it is much wider. The section on conspiracy in the Canadian Criminal Code is not the section under which most conspiracy counts are laid.

MR. SLAGHT: The code section referred to involves the necessity in a prosecution of showing fraud and deceit. The offences that we are opposing do not contain any moral wrong at all.

By Mr. Marquis:

Q. Do you think it would be dangerous to enlarge the scope there?

MR. SLAGHT: I think it would be dangerous.

THE WITNESS: Not merely dangerous, but it is shocking. As Mr. Slaght pointed out, there are cases where there is no moral taint; there are cases where all you have to do is to fail to register a security, or to take a subscription on a form other than the prescribed form. That becomes an indictable offence. If this treaty passes in its present form, then in order to permit any securities, even the Dominion of Canada victory bonds, to be sold in all the states of the union, it will be necessary to register those securities in every state, if the law is to be complied with.

It has been said to me, I think that Mr. Sidney Norman will speak about this, that since the establishment of the S.E.C. in the United States, not one single mine has been brought into production financed by public money. The reason is that even for American citizens it is practically impossible to raise money for mining ventures and still comply with the S.E.C. regulations. Now I would like to refer to an article in the December number of "American Magazine", by Mr. Harold L. Ickes, Secretary of the Interior, entitled: "The War

and our Vanishing Resources". In this article Mr. Ickes points out that the United States is becoming a have not nation, so far as mineral wealth is concerned. They have no new production and no prospect of new production.

It has been said to me that one of the principal reasons for the lack of mineral production in the States is the impossibility of complying with the S.E.C. regulations. To that statement I would add that the S.E.C. is only one body that requires registration. Having dealt with them, you still have not satisfied the regulations if you would safely sell your securities in the States. You must still register with the other forty-seven States. I am told that the state of Delaware does not require it. In this year of grace, 1945, the S.E.C. adopted what they naively call a new short form. This is supposed to make registration simpler. I have it in my hands, the regulations as to how you are to proceed. It consists of five very finely typed pages. In addition there is a supplement to form S 11 in which they give you nineteen more finely typed pages of instructions on how you are to do it. Then, having read those—and I should remind the committee that I represent prospectors and developers some of whom do not read any too well—you then turn to the form itself, which is some thirteen pages of very finely typed material. The form is careful to point out in paragraph 2: "The entire form and the applicable rules and regulations should be read before preparation of the statement is begun." I have not read this through myself because I did not have a week to spare. Before you start to fill out the S.E.C. form, you are required to read all these pages and digest them. They are not just words, but they are carefully prepared legal documents. That is the start for registration with the S.E.C.

By Mr. Fraser:

Q. That must be something very much like the simplified income tax form?—A. Even Einstein found himself unable to solve the problem of how to make out the American income tax form. This thing would baffle a whole group of Einsteins.

By Mr. Marquis:

Q. You have conspiracy to defraud; but there is the other article 573, committing any indictable offence. It is an indictable offence any time anybody makes an agreement with another to do something illegal or to effect something illegal by legal means. So I do not think this paragraph will change anything, because it means doing something illegal by legal means.—A. This paragraph makes it extraditable now to commit a breach of a state regulation.

Q. That is 32, but not 33?—A. No. Conspiracy is not at the moment indictable. You must be indicted, at present, for the substantive offence, be it murder, arson, or rape.

Q. Perhaps it would be a good thing if conspiracy were to be made an indictable offence?—A. Perhaps so, but I cannot think that it would be desirable that a conspiracy merely to avoid a state regulation should be indictable.

By Mr. Marier:

Q. I do not think that either the United States or Canada would proceed to extradite just on account of a mere violation of a regulation. It is not the principle of the bill.—A. But if they have the power to do so; as I say I think it is wrong whether they do it or not. If they have the power, we should object.

By Mr. Fraser:

Q. They could cover that under an advertisement in one of the papers?—
A. I think so. If a prospector should advertise in a Canadian paper and send copies of that paper to the United States, I think he, and probably his whole board of directors, could be proceeded against as parties to a criminal conspiracy.

Now, on the question of how simple it is to qualify a security in the States, I wonder if the committee would bear with me while I read a memorandum which was given to me and to Mr. Slaght by a very reputable solicitor in Toronto. For obvious reasons I do not want to name the company. It is a well known Canadian mining company and this is a report by its solicitor as to the difficulties they had in qualifying their stock in the United States.

An application to the Securities & Exchange Commission to qualify for sale an issue of securities of a Canadian corporation to an amount somewhat in excess of \$2,000,000 was filed early in December of 1942. The original application was drafted and printed after extensive meticulous inquiries and long consultations between United States counsel, Canadian counsel, company officials, consulting engineers and auditors which involved many weeks' work.

Although the document as submitted was drafted either by or with the approval of expensive United States counsel specially experienced in S.E.C. work the first draft registration resulted in the issuing by Securities & Exchange Commission of an eleven page "deficiency" letter and a few days later by a supplementary seven page "deficiency" memorandum giving particulars of additional amendments and further information required. Subsequently the revised and refiled registration statement (again prepared with the advice and assistance of the best experts the company could employ) resulted in a further six page "deficiency" letter. The registration statement was finally made effective some three months after the formal application was originally filed.

The resulting printed application was some fifty pages in length and the cost of printing and re-printing to include amendments and corrections must have run into thousands of dollars.

The care with which the exact wording of each statement in the registration statement was drafted and discussed in detail by counsel with the pertinent official or consulting expert was indicative of the dangerous possibility (in the opinion of experienced counsel) of some slight slip being used on a basis for the taking of action against the persons filing the statement.

Auditors' fees and fees of consulting engineers were not expressly apportioned for time spent on preparation of particulars for the registration statement and in collaboration with respect to information to be contained in the statement but the amount of time devoted by these experts to work of this type, must have involved costs to the company of thousands of dollars.

The fee charged by underwriters' U.S. counsel (which included assistance given to them by Canadian counsel for the underwriters) was in excess of \$50,000.

That is, the company paid United States counsel \$50,000 to qualify the stock with the S.E.C.

—although it must be borne in mind that this fee also included charges in connection with drafting the legal documents underlying the security issue and additional work in connection with other corporate financing.

We lawyers are stupid to oppose this. We could probably become independently rich if it went through.

—The fees of Canadian counsel were not apportioned between S.E.C. work and other work undertaken for the company but the portion of fees attributable to this part of the work could be reasonably estimated in the neighbourhood of at least \$10,000.

That is, in legal fees alone this Canadian company spent upwards of \$60,000 to qualify the stock with the S.E.C. I will go on to the rest of the qualification.

In addition to qualifying the security issue through the Securities and Exchange Commission it was necessary to complete additional documents and file additional material and information in nine individual states in order to qualify the securities for sale in those states. Subsequently the underwriters asked the company to qualify the shares for sale in four or five additional states but as this additional registration involved the trouble and expense of preparing some thirty-nine forms for information from officers and directors from one state and an equal number from another state, in addition to letters of reference and eight certified copies of letters patent, by-laws, specimen certificates, maps of the properties, reports by engineers, valuations of the properties, opinions of counsel, profit and loss statements and other information the Company was unwilling to undertake the additional registrations.

In addition to the original application it is also necessary that very comprehensive annual statements be filed with S.E.C. and also in some of the states in which the securities are treated.

That is the experience of one company, a very big company, a very important company that attempted to qualify its stock in the United States. As I pointed out it spent upwards of \$60,000 to qualify with the S.E.C. alone. This company is a well financed company and had a great deal of money in the United States.

What is going to happen to the small companies? I represent here prospectors who are trying to make mines, prospectors who have made mines. They have not got \$60,000 or \$6,000 to spend, and I will tell you it is heart-breaking to listen to the stories that some of them tell about their honest attempts to qualify stock in various states.

If you will look at the statistical sheet I gave you you will see a stock there called Hallnor which has produced to date upwards of \$14,000,000. Hallnor is a mining property which was started by Mr. and Mrs. McMillan. Mrs. McMillan is the president of the Prospectors and Developers Association. She is a prospector. She has tramped around the bush for upwards of twenty years trying to develop mining properties. Hallnor is a good example of the way mines start. Mrs. McMillan tells me they started Hallnor with 5,000 units which they tried to sell at \$10 each in order to raise money. They were not able to sell the units at \$10 each, and they sold some of them at \$1. They went short on food and clothing because they had faith in the property. Everybody laughed at them but they were quite sure they were going to make a mine and they were right. They developed the property, and to-day it is a large producing mine that has already produced close to \$15,000,000. They had tremendous difficulty in getting their first dollar. I was talking to Mrs. McMillan since we have been down here and she said in connection with one of their ventures that at a time when they had practically no money they tried to qualify it in Michigan. They spent every dime they had in a vain effort to qualify it and finally gave up because when they had filed every document they were asked to file they were told that the mine could not be qualified unless they would pay the expenses of the state geologist going to the property and making a report.

He was to charge \$50 a day and expenses. Fifty dollars a day was a sum of money that they did not have so they abandoned the attempt to qualify the security in Michigan. That was only one state. I do tell you, and I say this in all seriousness, that it will be absolutely physically impossible for any speculative mining venture to qualify either with the S.E.C. or any state of the union. The cost is prohibitive. The difficulties are too great and we will not be able to comply with the law no matter how honest we are in our desire so to do.

That is not merely a complaint that Canadian mining people make. It is a complaint that people make who are interested in mining development in the United States. We have been at some pains to get information on mining development in the mining states of the union such as Colorado and Nevada. It is from them I have information that enables me to say that since the S.E.C. was set up there has not been a single mine brought into production in the United States financed with public money.

By Mr. Jaenicke:

Q. That does not concern us.—A. It concerns us very seriously because this treaty says if we are to stay out of jail we must comply with the United States law.

Q. I mean the United States not being able to get public money for their mining enterprises does not concern us.—A. It shows that we will not be able to get it. We will not get American money because they cannot comply with the S.E.C. laws and neither will we be able to. We will have our choice of either cheating on the law and taking the risk of going to jail or doing without American capital in its entirety.

Mr. FLEMING: We do not want to import that plight into this country.

By Mr. Jaenicke:

Q. Suppose that the fugitive is a real fugitive, that he has physically committed a crime in the requesting country.—A. Then I would say he should be sent back.

Q. What is your definition of that? You listened to our discussion on it yesterday.—A. I say as to the man who is in the United States, commits an offence against the laws there and then flees to Canada for refuge that he should be sent back and while I have not sat down to amend the treaty and protocol so that would be done I do not think it is beyond the mind of man to do it.

Mr. SLAGHT: I have an amendment I will file which will accomplish that if the committee approves of it.

Mr. LEGER: It would have to accomplish that.

By Mr. Jaenicke:

Q. I do not want Canadian nationals to be extradited for things like that, of course, but if fugitive is interpreted as a man who actually did the fleeing . . . —A. Yes, if the treaty said that—

Q. Would you have any objection to the treaty then?—A. Not the slightest; if the treaty said that I would not have to be here. If the treaty said that they had to that extent protected Canadian nationals I would not be here.

Q. That seems to be the whole crux of the situation.—A. Of course it is. In order for a man to be taken out of this country and taken to the United States he should have committed an offence actually and physically in the United States, and the man who has fled from American jurisdiction to seek a haven here, as Mr. Slaght has said, should be sent back.

By Mr. Hackett:

Q. But even granting that it would be a departure from the principle on which all extradition treaties have been made up until the present time. It would be abandoning the principle of dual criminality.—A. Yes.

Mr. JAENICKE: I disagree. The United States decisions are exactly contrary to the English decisions as I have been reading the law.

The WITNESS: On what point?

Mr. JAENICKE: That you must actually have fled from the country where the crime was committed.

Mr. HACKETT: That is not what I am talking about.

The WITNESS: Mr. Hackett is saying that until this time, as Mr. Read said yesterday, it was necessary that the offence for which extradition was sought be an offence in both countries, both the requesting and requested country.

Mr. JAENICKE: Dual criminality.

The WITNESS: Yes. I think that was a very sound principle and should be adhered to. This treaty completely abandons that and necessitates a study of the law of a foreign jurisdiction because under this treaty you can be taken out of Canada for doing something that is quite legal here but illegal in Idaho and Nebraska. I say that is wrong. I think we should get back to the old sound and tested principle that you are only to be extradited if the offence is an offence in both countries, both the requesting and the requested country.

By Mr. Jackman:

Q. If American money finds it difficult to develop mining prospects in the United States I wonder if you could tell the committee how it is that American money comes over here now to help in the development of our north country?—A. It comes over here because it can find no outlet there.

Q. By solicitation or does it just drift across?—A. It comes in many ways, sometimes by solicitation, sometimes by direct negotiation. The prospector or mining developer goes down to New York or Chicago and interests one or a group of capitalists there. Sometimes, of course, it is by mail solicitation. It is in many ways. One cannot generalize, but a great deal of negotiating is carried on between Canadian developers and American capital big and little. Some get their money in \$50 bills and some get it in \$5,000,000 lots. I do not think we can generalize as to how it is conducted. All we can safely say is that a great deal of the development of our mining industry is due to American capital that came in here in one way or another.

Q. And is still coming in?—A. And is still coming in, yes, sir, and will come in unless this treaty is passed. If this treaty passes I suppose that the flow will dry up. We, of course, are a country that needs capital. We need venture capital very badly, and I think even Mr. Coldwell will agree that we do not want the Bank of Canada putting money into moose pastures that may ultimately be mines.

Mr. COLDWELL: I do not want to see Canadian resources entirely exploited by a group of foreign capitalists.

The WITNESS: They are not exploited. We always have that in our own hands by taxation or by limitation on the import of capital. We can protect ourselves as to that.

Mr. COLDWELL: We have not done so up to the present time.

The WITNESS: That may be something we will amend, but we will not get it by passing this extradition treaty.

By Mr. Marquis:

Q. Actually the difficulties with registration do not prevent capital from coming here?—A. It does not at the moment.

Q. But you have difficulty just the same?—A. We have difficulty in getting capital here?

Q. No, with the registration.—A. Yes, even at the present time it is almost impossible to qualify a stock so you could sell it openly in the American market but still we are not prevented from writing to Americans or negotiating with them and getting capital over here. We could not sell openly on the New York board or Chicago board without qualifying the stock under S.E.C. and state regulations. That is why so few recent Canadian securities appear on the big board because registration and qualification is too difficult.

In that connection may I read one or two wires which illustrate how hard it is to get venture capital under S.E.C. regulations. This is a wire addressed to Mr. Sidney Norman who is here. It is from Mr. Charles F. Willis who is Secretary of the Arizona Small Mine Operators Association and publisher of the *Arizona Mining Journal*. He says:—

Note external affairs committee holding hearing regarding protocol attached to proposed treaty between United States and Canada by which SEC would be given authority to press for indictment of Canadians for breaches of regulations of that commission even though business had been conducted within the laws of Canada stop the Lord help the progress of development Canadas mineral resources if SEC is permitted any part in the picture stop they almost completely fail to recognize that the early stages of all mining are speculative and risky and if they had had jurisdiction during the early days of the development of the west we would have had no mining industry in the United States today stop they have almost completely stifled legitimate new mine development in western states and have made illegal activities more vicious and dangerous stop legitimate developers merely quit because they cannot comply and will not defy while illegitimate operators go to opposite extremes and have developed technique too clever to be caught stop hope you can show parliament committee danger in permitting SEC to have any part in their picture. Kind regards.

Here is another one from the secretary of the Colorado Mining Association, a very important association. It is also addressed to Mr. Norman:—

The mining industry of Colorado is one of our most important industries. New money for exploration and development is its life blood. Since the enactment of federal legislation to control the sale of securities the industry has been deprived of new capital. Only a few venturesome souls have attempted to run the hazardous rapids of securities and exchange commission regulations, and those who have have suffered the consequences. We know of no mining enterprise in Colorado which has been successfully financed since the enactment of this law in spite of assurances which have been given us constantly of aid and assistance. Our association does not favour irresponsible promotion but feel that the criminal statutes are adequate to take care of violations. We submit that our experience teaches us that should Canada be confronted with the same restrictions as we have been subjected to it will mean the curtailing of much new mining activity in the provinces. Best wishes.

That is from Mr. Robert S. Palmer, Secretary of the Colorado Mining Association. I have other wires to a like effect, but I do not propose to weary the

committee by reading them all. I shall table them. They all indicate that since the setting up of the S.E.C. and since the passage of these drastic regulations it has been virtually impossible for any new mining venture to start financed with public money.

By Mr. Coldwell:

Q. If the criminal law was sufficient to deal with these cases why was the S.E.C. set up?—A. Well, of course, I am not privy to the inscrutable designs of the people who drafted the S.E.C. legislation.

Q. They may have gone too far:—A. It was set up as part of the general blue sky legislation to protect investors.

Mr. MARIER: Small investors.

The WITNESS: I do not know that it was small investors especially. Small investors like a gamble, but it does what all legislation of that kind does, and this is the great vice of it. It makes it practically impossible to get speculative venture capital because you see once you say you are going to protect the small investor, then almost the first thing you say is that we must make quite sure that when he invests he gets something real, something substantial, but a mining venture in its early days is not real and is not substantial. It is a hope and a prospect. As soon as you pass legislation such as the S.E.C. you have virtually stopped that kind of investment because you have said to the little investors, "We are not going to let you put your money into gambles of that kind." There is no other answer.

By Mr. Fleming:

Q. It may have been overlooked, but the S.E.C. covers a lot more than the sale of mining securities?—A. Oh yes, everything.

Q. It is only one very small part. As I understand it, it was set up to take care of a much more developed industrial economy, and certainly investment economy, than ours. The mining securities business in the United States does not bulk in the total there to anything like the extent that it does in Canada.—

A. What Mr. Fleming says is quite true. That S.E.C. regulations are probably suitable to a developed and settled economy but a questing, developing economy such as ours cannot operate under these stringent regulations, and this is the one thing I do want to leave with the committee. If this treaty and the protocol pass we, so far as American capital is concerned, are subject to all the regulations of the S.E.C. just as though we moved Canada over into the United States and called it the 49th state.

By Mr. Hackett:

Q. Do you not think there is another difference? In the United States there is sufficient capital for all their requirements. The United States does not have to import capital. We do.—A. We do.

Q. And I think that is the over-riding distinction between our situation and that of the United States.—A. That plus the fact that we still have opportunities for the investment of venture capital. These opportunities have dried up in the United States since the S.E.C., but what Mr. Hackett says is, of course, true. We are a new country; we are a developing, prospecting country and we need to import capital. The United States has capital of its own which, of course, it can use.

By Mr. Coldwell:

Q. That is a point that I think needs some consideration as to whether we do really need to import a large amount of capital and obligate ourselves with another country. During the last six years we have had a demonstration of

what Canada has been able to do for herself.—A. You are, of course, right that we have more resources of our own than we had thought before the war, but during the last six years a great deal of mining activity has taken place in new fields. But good mines have been brought into production, such for instance as Eldorado, which was a purely venture thing, a speculative venture. And in practically every one of these mines a great deal of American capital came in at the venture stage, at the stage where it was a pure gamble as to whether you would get \$100 back for your dollar or whether you would get nothing but experience and a stock certificate. That kind of money, which is purely venture money necessary for exploration and development, which a country such as ours does not have.

MR. LEGER: It looks as though in the case of the Americans that they were more inclined to gamble than we are.

THE WITNESS: There are more of them, more inclined to gamble in the states, and over there they have no opportunities for purely speculative investments; and that is what mining is, and what it must be so long as it is in early stages. Nobody can tell whether there is a mine there or just a large expanse of grey rock.

I have come about to the end of my string, Mr. Chairman. I thank you and the members of the committee for your patience and kind hearing.

By Mr. Adamson:

Q. Will you file the rest of those telegrams that you had?—A. Yes.

Q. I think it is important.—A. May I merely identify them before filing them. I have here and I should like to file a wire from Mr. C. E. Newmeyer, editor of the *Mining Record*, Denver, Colorado. Now, I would like just to read a paragraph from this one. It says:

The *Mining Record* of which I am editor now in fifty-sixth year of continuous publication. I have been with publication some forty-three years and have seen development of mining industry in western United States. Corporation financing has done work. When congress passed federal securities law with S.E.C. in charge, new mining development became stagnant. Thousands of companies have gone out of existence, counties have taken over most of undeveloped mining claims for taxes. Canada should look before it leaps. Canada should supervise its own affairs, because if Canada places the fate of its new mine financing in control of Washington its mining districts will suffer. There will be little or no fraud in Canadian mine financing if Canada rules that only treasury stock can be sold while a company is in process of financing. If Canada makes such a rule it does away with the alleged need of the United States to supervise Canadian mine financing. We in the west are faced with handicaps of federal and state securities laws. Under the present plan of the S.E.C. in Washington, Canada would be made a province of that bureau and would lose much of its present prosperity. Our best judgment would be that Canada can, without the help of the Washington S.E.C., legislate to prevent mining fraud.

I also have a wire here from Mr. J. P. Hall, president of the Western Mining Council Incorporated, of Auburn, California. It is a very short one. He says:

Our membership with chapters in thirty-five western counties hold S.E.C. regulations have practically stopped much mining development and now grossly interfering with our efforts to find new jobs for returning servicemen. We are further opposed to S.E.C. invading Canada and messing with your development. We feel that the Canadian law can handle the matter satisfactorily.

Also I have a wire here from Mr. Frank E. Woodside, manager of the British Columbia and Yukon Chamber of Mines, Vancouver; one from the Val D'Or Chamber of Commerce, signed, Lucien Tourigny; one from Al Richie, Reno, Nevada; and one from the Kiwanis Club of Kirkland Lake. I will not read the rest of them but file them with you and they will be available.

Again, gentlemen, thank you very much.

The CHAIRMAN: Before calling the next witness, we have ready for distribution a copy of the correspondence between the province of Ontario and the government of Canada in regard to this treaty, written in 1942. This is now ready for distribution as promised by Mr. Read yesterday.

May I say now that we expect to adjourn at about five or ten minutes to one, and I will ask the members of the steering committee to stay here, and I will also ask the persons who have not been heard and who expect to come before this committee to remain a little longer so that we may arrange an order of precedence for their appearance before the committee at its further sittings.

Before I call on Mr. Salter, I believe without in any way annoying him, we might hear from Mr. Slaght who was to present to us certain recommendations or amendments.

Mr. SLAGHT: If you would permit me to do so a little later, Mr. Chairman; I only have four copies here and the stenographers down yonder whom I am using are running off a sufficient number so that each member may have a copy before him. If I may be permitted to defer my appearance until later, say about half an hour?

The CHAIRMAN: All right, Mr. Slaght. I will now call on Mr. Salter, representing the Ontario Security Dealers Association.

Mr. W. RALPH SALTER, K.C., representing the Toronto Board of Trade and the Ontario Security Dealers Association, Toronto, Ontario, *called*:

The WITNESS: Mr. Chairman and gentlemen of the committee; I am appearing on behalf of the Ontario Security Dealers Association and also on behalf of the Board of Trade of the city of Toronto. A brief has been prepared for the Security Dealers Association, and with your permission, Mr. Chairman, I should like to pass copies of the brief out to members of the committee. I do not propose to read the brief. I trust, however, that members of the committee may find time to do so. I might say that the burning of a lot of midnight oil went into the preparation of that brief. It is based on a review of the Securities Act of more than forty of the individual states of the United States, and I think it may contain information which will be helpful to the committee.

The CHAIRMAN: Order, gentlemen.

The WITNESS: I should like, Mr. Chairman, to read a letter from the Board of Trade addressed to me under date of November 21:

THE BOARD OF TRADE OF THE CITY OF TORONTO

KING EDWARD HOTEL

TORONTO, CANADA

W. R. Salter, Esq., K.C.
Messrs. Salter, Stapelle, Sewell and Reilly,
112 Yonge Street,
Toronto 1.

November 21, 1945.

Dear Mr. SALTER:—

The Council of The Board of Trade of the city of Toronto would appreciate your representing the board before the Committee on External Affairs in their consideration of the extradition treaty with the United

States. This will authorize you to appear on behalf of the board at the hearings of the committee to be held on Thursday, November 22, or any adjournments thereof, and to present our views as set out in the enclosed letter to the Minister of Justice, dated October 30, 1945.

We are also enclosing a copy of a letter to the Prime Minister, dated March 15, 1943, in which we registered objection to the ratification of this treaty at that time, and you will note from the report, dated May 18, 1943, a copy of which is also attached, that we were represented at a meeting with a special Cabinet Committee in May, 1943, when our views were presented personally.

Yours very truly,

(Signed) F. D. TOLCHARD,

General Manager.

Accompanying that letter, gentlemen, is a copy of a letter addressed by the president of the Board of Trade to the Honourable the Minister of Justice, reading as follows:—

THE BOARD OF TRADE OF THE CITY OF TORONTO

TORONTO, October 30, 1945.

The Honourable Louis S. St. Laurent, K.C.,
Minister of Justice,
Parliament Buildings,
Ottawa, Ont.

Dear Mr. ST. LAURENT:—

The Board of Trade of the city of Toronto has been giving consideration to the treaty for the extradition of criminals between the United States and Canada which was signed in April, 1942, and the protocol amending such treaty which was signed on October 3, 1945. The board of trade has already made representations in concert with other organizations against the terms of the treaty because it extends the powers of extradition beyond any heretofore granted and includes offences which are not universally considered as crimes.

We feel that the essential nature of extradition is the apprehension of fugitive criminals. To extend this principle to a permission of its use for assistance in the apprehension of non-residents for their punishment for statutory offences is a surrender of our sovereignty over our subjects and those residents in our country who have never been present in the requesting country.

We wish to point out that while it is not desired to put any hindrance in the way of the pursuit of criminals, it is not felt that the citizens of Canada should be exposed to prosecution for offences which are not crimes in Canada. Consistent with this view, we would suggest that clause (a) of Section 1 of the protocol, which would grant extradition for fraud as defined by the laws of both countries, is not objectionable, but that clause (b) which would authorize extradition for wilful and knowing violation of the laws of the requesting country is objectionable on the grounds above stated.

Accordingly, we would respectfully recommend that ratification of the treaty and the protocol should not be given by the Canadian government.

Yours very truly,

(Signed) E. W. BICKLE,

President.

I also have, Mr. Chairman, a copy of a letter from the Board of Trade to the Prime Minister, under date of March 15, 1943. It reads as follows:

Dear Mr. Prime Minister:—

RE PROPOSED EXTRADITION TREATY WITH
THE UNITED STATES

The Board of Trade of the city of Toronto has had under consideration the terms of the draft extradition treaty between Canada and the United States which we understand will come up for ratification at the present session of parliament. In considering the matter we have had the advantage of reading the briefs prepared by the Toronto Stock Exchange and by Ontario Security Dealers Association, with which we are in complete accord.

We noted that a new principle has been adopted by which the requesting party seeking extradition could do so even where the person to be extradited had committed a misdemeanour which was not a crime in his own country, but was a crime in the country seeking his extradition. The board feels that great hardship might be caused innocent persons in cases where individuals are affected by such new principle. For instance, in the case of a letter mailed in Canada to a point in the United States contravening the exchange regulations of the latter country, it might be considered that a crime had been committed in the United States because of such a letter having gone through the mails of that country during the latter part of its passage.

Items 26, 31 and 32 of Article III of the draft treaty might become effective to obtain extradition under the principle referred to and have reference to offences by reason of using the mails to defraud, crimes against laws for the prevention of fraud in the sale or purchase of securities and indictable crimes or offences against the laws regulating security markets, licensing of securities, security sellers or investment counsel, and offences against laws regulating investment or public utility companies.

We feel that the adoption of the provisions above referred to would be a dangerous departure from the previous position and would place Canadian citizens in jeopardy for offences which would be expensive and difficult to defend in a foreign jurisdiction. We would respectfully suggest that these three items, namely, 26, 31 and 32, of article III be deleted, and in respect of the sale of securities would recommend that if there are any real abuses requiring correction, that the Canadian law be altered to give American citizens adequate protection with respect to the sale of securities from Canada, rather than place Canadian citizens at the mercy of foreign laws.

Yours very truly,

(signed) F. D. TOLCHARD,

General Manager.

I would ask Mr. Read if he would be good enough to arrange to have the committee supplied with the originals of these letters.

The CHAIRMAN: As you have read these letters they will be in our record, and therefore I do not think there will be any necessity for Mr. Read to produce the originals.

The WITNESS: Mr. Chairman and gentlemen, on behalf of my clients, both the Ontario Security Dealers Association and the Toronto board of trade, I want to submit the proposition which I shall state very briefly. In the first place, that the treaty represents an extremely dangerous extension of the grounds of

extradition; and secondly, because of that extension, if the treaty and protocol are ratified in their present form, it would effectively and almost completely slow up the flow of American capital, venture capital, into Canada.

Now, dealing first of all with my original proposition; extradition in the past, as has been said in this committee before, and as the members well know, has been confined to crimes; crimes legally and morally regarded as such throughout the world; crimes which offend against the common conscience of mankind. And now, what does this treaty do? Instead of extradition being reserved for matters that may be regarded as crimes, under items 26, 31, 32 and 33 of the treaty were brought in the operation of the Securities Acts of 46 states and of the federal authority; and not only under the Acts, but under the regulations made by government appointed bodies, not elected bodies, by government appointed commissions. I have here the Acts and regulations of more than 40 of these states and if they would be of any assistance to the committee, I would be glad to file them. I have gone through them. They differ widely, but there is one general pattern; the Acts require registration of a security issue, registration of the broker who deals in the issue, registration of the salesman who sells the security; and in all of these Acts failure to register is ipso facto fraudulent. If you do not register, automatically you are committing a fraud. Fraud within the meaning of the Security Act does not mean common law fraud. It does not mean deception, misrepresentation; it means you have not registered—the cease desist orders issued by the various states against Canadians are based entirely on that one thing. They do not say you have to commit a fraud in the ordinary sense of the term. All they say is, your security is not registered here, therefore its sale in this country is fraudulent.

I want to quote a brief section from the New York State Law, which incidentally is one of the most conservative pieces of legislation. The New York State Act provides that failure to file a registration statement shall constitute prima facie evidence that the sale or the offering for sale of such corporation constitutes a fraudulent practice within the meaning of this Act. And, fraudulent practices are subject to prosecution as indictable offences, and are also extraditable.

As Mr. Slaght quoted some of the provisions of the Michigan Securities Act, the original blue sky law which has been the pattern for a great many of the State Security Acts. There is the law and list of offences, a very long list. One or two of them Mr. Slaght did not quote; disobeying in any way orders made by the Michigan securities commission—that is an offence under the Act, punishable, indictable, extraditable, if this treaty goes through. Use of advertising matter in connection with a sale of any security which advertising has not been approved by the Michigan securities commission. Any practice which in the judgment of the commission is not explicitly outlined in this Act tending to defraud the public.

Similar provisions occur in every one either of the Acts or regulations of the various states. I might refer briefly to the Alabama Act. You can go through them all there if you wish to, I was going to say from A to Z, and I will say from A to W anyway, and you will get the same result. Section 5406 of the Alabama Code, violation of the Alabama Securities Act, the penalty is: "Any person who wilfully does, or aids or advises in doing any act prohibited or made unlawful by the provisions of sections 9882, 9883, and 9886 of article 12 of chapter 335 of this code, shall be guilty of a felony, and upon conviction thereof in any court of competent jurisdiction, must be imprisoned in the penitentiary for not less than one nor more than seven years."

Now let me turn back to the three articles that are quoted, sections 9882, 9883 and 9886. 9882 is simply the registration clause. "No security, not exempted under any of the provisions of section 9879 of this article, unless sold in one of the transactions exempt under the provisions of section 9880 of this

article, shall be sold either directly or indirectly to any person within the state of Alabama, unless and until said security shall have been admitted to record and recorded in the Register of Qualified Securities, as hereinafter provided." Failure to register carries with it a penalty of not less than one year in the penitentiary.

Section 9883 reads as follows: "It shall be unlawful hereafter: (1) To advertise in this state, through or by means of any prospectus, circular, price list, letter, order blank, newspaper, periodical or otherwise; or (2) To circulate or publish any newspaper, periodical or either written or printed matter in which any advertisement in this section specified shall appear; or (3) To circulate any prospectus, price list, order blanks or other matters for the purpose of inducing or securing any subscription to or sale of any security or securities, not exempted under any of these provisions of sections 9878-9879 or this article; and not sold or to be sold in one of the transactions exempted under the provisions of section 9880 of this article; unless and until the requirements of section 9882 of this article have been fully complied with and such advertising matter has been filed with and approved by the president of the commission." For a breach of that provision there shall be a minimum penalty of not less than one year in the penitentiary. I can assure the committee that the provisions of the Securities Acts of more than forty of the states are in similar terms. The requirements with respect to registration may differ, but the pattern is pretty much the same. If you do not register, you are committing a fraud, and there is no attempt to limit the offences under the Act to the common law sense of the term. It is a failure to comply with the regulations.

One point I should like to mention to the committee is this: extradition in the United States is regarded much more lightly than it is regarded in Canada and in other countries throughout the world. In the United States extradition is regarded as an inter-state matter. As you know, in the United States, the criminal law is a matter for each state. There is no federal criminal law apart from certain acts which Congress have made crimes. The basic criminal law in the United States is the state criminal law. Suppose a man commits a crime in Maryland and then flees across the border into an adjoining state. Extradition procedure to be followed in that case would be practically automatic. It has to be that way where you have forty-eight separate states. We would never think of extradition here in Canada as between Ontario and Quebec or between New Brunswick and Nova Scotia, but that is the way it works across the line. So our American friends cannot understand why we make so much fuss about extradition.

By Mr. Low:

Q. Does that mean that the government of the United States does not request extradition from Canada in very many instances?—A. Either Mr. Sedgwick or Mr. Slaght can answer that question better than I. I do believe that extradition proceedings between the United States and Canada are relatively rare.

Mr. SLAGHT: I will answer the question.

Mr. SEDGWICK: In many cases, instead of extradition proceedings being instituted, our emigration authorities generally deport the person. That is why extradition cases are rare.

Mr. SLAGHT: The procedure is this: Supposing a man in Alabama wants to lay a charge against a Canadian. He first goes to the prosecuting attorney in Alabama and a charge is laid before a magistrate, or an information is sworn out. The state authorities send that most frequently to Washington, and

Washington communicates with Ottawa, and Ottawa communicates with the particular city, be it Winnipeg or Montreal or the authorities here. That, as a rule, is the way it is brought about.

Mr. COLDWELL: Are there ever instances where the state itself approaches Canada?

By Mr. Hackett:

Q. The state does it first in order to ensure the man's arrest?

Mr. SLAGHT: Yes. You should bear in mind that the prosecuting attorney and the magistrate and judges in the United States are elected officers and not appointed.

The WITNESS: As I say, extradition is regarded lightly by most American authorities because the Americans are accustomed to an automatic interchange of fugitive criminals as between the states. I submit that we in Canada cannot lightly regard the matter of extradition. This treaty and protocol, if ratified under their present form, will expose our citizens and residents to extradition for trivial offences and will put them in jeopardy in a foreign court where they are not known and where they do not know the attorneys, in short, where they are at a complete and total disadvantage as against trial in their own country. Now the question may be asked: Would the United States authorities abuse the powers that might be given to them under this treaty and protocol? The statement has been made to me: Surely the American authorities can be relied upon not to abuse the process that is given.

Mr. Chairman, there are two or three instances I should like to mention to the committee, but I would appreciate it if it were not in the official record or in the press.

At this point discussion took place off the record.

If this treaty and protocol become law in their present form, if they are ratified in their present form, no reputable business man or engineer or professional man would dare to act as a director or an officer of a mining company that was in the promotional or developmental stage, because it would be too risky. In that connection I would like to read again the provisions of article 33: "Extradition shall also take place for participation or conspiracy in any of the crimes or offences before mentioned or in any attempt to commit any of the crimes or offences." The interpretation placed on "participation" by our friends is a very broad interpretation, indeed. To give you one instance, to show the attitude of Canadian business men, their necessary attitude, if this treaty were to go through, I would cite the case of a United States investor who has had holdings in Canadian mining stocks and has been eminently successful in his investments in Canada. This man sent an order to a member of the Toronto Stock Exchange, instructing that member of the Toronto Stock Exchange, to purchase such and such shares for him. The brokerage firm in Toronto wrote back to the United States investor and said that they regretted very much, but they preferred, in view of the present situation of the law, not to execute any orders originating in the United States. This brokerage firm had received a letter from a United States source instructing them to make a purchase, and the firm did not feel that it dared to do so.

I should like to pass on to the cutting-off of the flow of United States capital into Canada, and to the importance of mining in our Canadian economy. It has been stated by a member of your committee who is well versed in mining that one man employed directly in the mining industry of Canada gives employment to twelve men employed in other industries. I have no statistics to back up that statement, but Colonel Cockeram can perhaps give them to you. But just consider this: the dollars spent in direct mining development in Canada go directly into labour, fuel, food, lumber, plant, machinery, and equipment.

That money goes directly through the entire fabric of our economy. I would venture to say that during the war years and in the years preceding the war there was no single industry, with the possible exception of agriculture, that played such an important part in the Canadian economy as did mining. It goes through the length and breadth of the country into every phase of the economic life of the nation. Now, I have it on good authority that there are in Canada today some sixty new mines in which the ore bodies have been proven by various methods. These mines are awaiting the availability of labour and supplies to bring them into production. I am not speaking about existing producers but about these new mines. It is estimated that these new mines will give employment to 20,000 people. If Colonel Cockeram's figures are correct, if 20,000 are employed in new mines in Canada, that will give employment, or help to assist with employment for one quarter of a million people in other industries. There is no doubt that since Cobalt days United States capital has played a very important part in the development of Canadian mines. I believe that, with the possible exception of Hollinger, nearly every one of our greatest mines has been financed wholly or substantially from the United States. The attractive mining belt that is being opened up in north-western Quebec, which promises to be one of the greatest mining areas in the world, would not have reached its present state of development without American capital going in there. Noranda would have gone begging without it. Noranda was directly financed from United States sources. You can say the same about International Nickel and Dome, Lake Shore and many others that Mr. Slaght has mentioned.

Can we carry on mining development at the rate it has been carried on over the past twenty-five or thirty years, if we shut off the flow of venture capital funds that we have been receiving from the United States? It is not a one-way street, gentlemen. American investors are not making donations. I would like to read one paragraph from a statement made by the chairman of the Securities and Exchange Commission at a conference of the United States commissioners which was held in Chicago last week. He said:—

Vast amounts of risk or venture funds are available in the United States for investment, Garson Purcell, chairman of the S.E.C., told the gathering. Big businesses are already adequately financed for reconversion, and only if a very high level of national income is achieved will any significant amount of new issues be required to take care of additional capital needs and working capital, he said. He alluded to the great demand abroad for American capital, and to the supply of money that would not be needed by industries in his country. "Without a substantial and sustained export of capital," he asserted, "it would seem clear that in the near future we could not expect to enjoy for any extended period a volume of merchandise exports anywhere approaching the level which ordinarily would accompany the high gross national production we are hoping for in the post-war period." He warned that the problems of protecting United States investors and of obtaining full disclosure would be more difficult regarding foreign securities than domestic.

By Mr. Jackman:

Q. You mentioned Noranda. Was that stock listed on the New York stock exchange at one time?—A. It was, and it was withdrawn from listing by the officials of Noranda because they were unwilling to go through the persistent and recurring headaches of filing registration statements and additional material with the Securities and Exchange Commission.

By Mr. Adamson:

Q. Have you any idea of what it costs them to withdraw from the New York Stock Exchange?—A. I have nothing on that.

Q. It was around \$29,000 to delist the stock.—A. Now, gentlemen, the question has been asked, and quite properly, and Mr. Sedgewick has answered it substantially, "Why can we not comply with the United States laws? Why can we not register there?" I have one or two bits of information that I might add to what Mr. Sedgewick has already said. First of all I want to read a letter dated the 30th of August, 1945, from the Securities Commissioner of the State of New Mexico addressed to the Ontario Security Dealers Association. It reads:—

We have your letter of the 27th instant requesting particulars as to the cost of registration in this state. Please be advised that for good and sufficient reasons we do not care to have registered for sale in New Mexico Canadian Gold Mining Stocks. In the event that such offerings should be made it would be a requirement that such shares be registered with the S.E.C. at Washington, D.C., first.

Yours very truly,

R. W. HEFLIN,

Securities Commissioner.

Most of the state authorities are not so frank. The more usual procedure is just to keep you out on the end of a limb until you get tired and drop off.

I have here a letter from the office of the Secretary of State of the State of Illinois. After outlining the requirements for registration he puts in this paragraph that I think is quite enlightening.

You will note the mechanical difficulties which are encountered in respect of procedures relating to Class "D" securities.

Incidentally any company not actually in production is regarded as being in the Class "D" section of their securities law.

The independent certification of financial statements, including a balance sheet of a date not more than sixty days prior to the date of submission of application for qualification; the requirement that the application statement be executed in Illinois by at least one of the signatory parties; the consent to service of process within the jurisdiction of the State of Illinois, and the escrow of any securities previously issued in exchange for intangible values, including the escrow of proceeds of sale in connection with a promotional venture, would, in most cases, be insurmountable in the case of an offering of a mines and minerals venture located in Canada.

Under the circumstance, I can offer little or no encouragement to the thought that Canadian mining ventures, particularly those of the undeveloped or promotional type, might be eligible for offering or sale in the State of Illinois.

I may add, in direct response to your inquiries, that under any circumstances which appear to be favourable to a qualification in Illinois, the procurement of assistance from attorneys experienced in practice before the Securities Department in Illinois would, no doubt, be helpful.

I should like to mention one other matter. Some years ago an outstanding group of Canadian business men had in contemplation the formation of a mining investment trust. They had an underwriting of a large amount of the securities of the proposed trust from a New York stock exchange member house. The underwriting was conditional upon the registration with the Securities and Exchange Commission and with the securities authorities of thirteen designated states. The registration with the S.E.C. was obtained without too much diffi-

culty and then they started to work on the states. At the end of some fourteen months they had effected registration in four of the thirteen states. They had spent \$23,000 which was contributed by the directors personally. They called it a day and quit.

I can give you another instance of a company financed completely from United States sources. They decided to register in the United States. Registration again was effected with the S.E.C. without too much trouble. Then they undertook to register in the one particular state where the principals in this company resided. They retained one of the most outstanding legal firms in practice in that state to sponsor their application with the state securities commission. For eight months they could not get any action and finally they instructed the attorneys either to kill it or cure it. In response to that ultimatum the state securities commission sent a telegram that was at least as long as some of those Mr. Sedgewick read this morning. The telegram was received about three o'clock Monday afternoon and it said in effect:—

Formal hearing of your application will be held before the state securities commission to-morrow the thirteenth instant at 2 o'clock in the afternoon. At this hearing you are required to present for oral examination all directors, officers, attorneys, auditors and engineers of your company and of your predecessor company and of the predecessor's predecessor company. You are required to produce all minute books, books of account, engineers' reports, assay returns, diamond drilling data, and so forth and so forth. Gentlemen, if that wire had been possible of compliance it would have taken nearly a railway car to transport the individuals who were required to attend and a box car to transport the documents. These documents were the accumulation over a matter of about fifteen years, and the people who had been interested in the predecessor company, and the predecessor of the predecessors company, were scattered here, there and everywhere. That wire was received on Monday afternoon for a hearing to be held the following day. The individuals concerned without complying with the wire, went before the commission. They were told that they were not using the right lawyers. They did not register in that state at the time although subsequently enough fuss was occasioned so that registration was effected later on.

Mr. Chairman and gentlemen, in conclusion I want to say that the broad grounds upon which we base our objection to the treaty and the protocol are first of all the extremely dangerous extension of the crimes or offenses for which extradition can be granted, and in the second place we are asked in the treaty and the protocol to effect a major change in the entire economy of the nation. I submit, Mr. Chairman, that such a change should not be undertaken lightly. Thank you.

By Mr. Jackman:

Q. May I ask you a question? Occasionally I see in the newspapers advertisements of offerings of rights by Canadian companies but it specifically excludes American shareholders. Why is that?—A. Solely to save or endeavour to save the officers and directors of that company from indictment or prosecution in the United States.

Q. And it works an injustice against the American shareholder?—A. The S.E.C. takes the position that any offering of securities, whether an offering of rights or otherwise, cannot be made to residents of the United States without registration, and if the securities in question were not previously registered with the S.E.C. the offering of rights would be a contravention of the Securities Act.

By Mr. Adamson:

Q. Do you mean to say that American shareholders of Giant Yellowknife at the present time are deprived from taking up their rights?—A. If they come here or send up here to exercise their rights they would certainly be permitted to buy shares as far as the Giant Yellowknife Company is concerned, but the company has to be scrupulously careful not to send into the United States any invitation to the shareholders to exercise those rights.

Q. Can they inform their shareholders that rights will be offered.—A. With a degree of risk.

By Mr. Boucher:

Q. It is not the case that certain companies offer these rights only to Canadian holders in order to protect themselves from that very law?—A. There is no doubt that a Canadian company having a number of American shareholders—this is a relatively small proportion—if it sends notice of these rights to its American shareholders would be infringing the Securities Act of the United States and probably also of the individual state where the shareholders reside.

By Mr. Coldwell:

Q. I was going to ask you how many states have legislation of this type?—A. All but two, Delaware and Nevada.

Q. Does that not indicate pretty thoroughly that the American people are in favour of this type of security control and that they feel the people of the United States require the protection which is now being given? We have heard a terrific indictment of this security control but the thing that struck me throughout was that this control must rest upon the will of the American people. It seems to me there must be some condition underlying all this which makes the people of the United States support this type of security control enacted by the various states and by the federal authorities. There must be something wrong with what is being done in Canada to bring about such antagonism as there seems to be against Canadian securities of this type.—A. I would say this, Mr. Coldwell, that the blue sky laws of the United States, if I recall correctly, were first passed starting about 1918 or 1919 and they related not to Canadian securities but domestic investment. As Mr. Sedgewick has shown these blue sky laws—and I think this applies as much to the state laws as it does to the federal law—have effectively cut off investment of what Governor Stassen of Minnesota referred to as venture capital.

By Mr. Hackett:

Q. But they were not enacted primarily to preclude investment in ventures of this kind?—A. No.

Q. They were to preclude investment in another field entirely.—A. Yes, and also as has been pointed out securities cover all classes of securities. You could not sell a Dominion of Canada bond in the United States or a bond of any of the provinces without complying with all the registration requirements.

MR. COLDWELL: I can see the necessity for protecting our own citizens against injustices under a treaty but on the other hand we have had such a discussion of this type of security that it struck me, resting as it does on the will of the American people, that there must be a very good reason for it.

MR. ADAMSON: Would it not be correct to say that the Securities Exchange Commission and all these blue sky laws came into being as a protest against the speculative crash in stock values in 1929 on all exchanges, particularly the New York stock exchange.

MR. COLDWELL: We were told it began in 1919.

Mr. ADAMSON: The Securities Exchange Commission did not come into being until the depth of the depression.

The WITNESS: Federal law yes, but the state laws, no. The federal laws were the direct result of the stock market crash of 1929, but the state laws had been built up over the period of ten years preceding.

Mr. ADAMSON: I do not think it is perfectly justifiable to say that this type of law has the wholehearted support of the American people because we must remember that they enacted a law called the Volstead Act on a wave of almost hysteria, and had a great deal of difficulty in getting rid of it.

The WITNESS: You are perfectly right. I have seen a great many letters from American residents who are holders of Canadian securities protesting against the restrictions under which they are placed by their own securities laws.

Mr. HACKETT: There were abuses in stock promotion in the United States as there were in Canada, and action was taken to preclude that, but the complaint, as I understand it, is that a general rule is made to apply to a particular type of investment which of its nature is uncertain and speculative. The ordinary rule which applies to a different kind of venture is prohibited here and the characteristics of criminality are attached to the contravention which seems unreasonable under the circumstances.

Mr. MARQUIS: Many poor people lost money in 1929 around where I live. They lost a lot of money. I think that the conduct of some salesmen was not very good. Do you not think it would be better to recommend that the provinces adopt legislation such as that to protect the people?

Mr. MARIER: There is now.

Mr. HACKETT: We have that type of legislation in all provinces.

Mr. MARQUIS: If you have that type of legislation would it not be the same thing for the country to consider it as a crime, and if it is a crime in Canada it will be a crime in the United States and there will be dual criminality, as you say.

Mr. FLEMING: The provinces cannot create crimes. They can create penal offences. They can attach the penalty of imprisonment or a fine to a breach of provincial law but they cannot create crimes.

Mr. MARQUIS: If we enact legislation to make crimes of these offences we would be on the same level.

Mr. MARIER: We are already.

By Mr. Boucher:

Q. Is it not a fact that the difference between the United States and Canada is largely due to a difference in the desire and necessity for venture capital, and that the American law is framed on the grounds they do not need venture capital in the United States while we need it in Canada?—A. That is true. You have in the United States a great reservoir of capital pressing for investment. On the other hand we have enormous undeveloped natural resources, and those resources cannot be developed without the investment of venture capital.

The CHAIRMAN: In his statement Mr. Salter said that he had copies of the Acts for registration of securities issued in 40 states, and he offered them to us. I do not know whether we are to keep them or if he has some extra ones.

The WITNESS: I will be glad to file them if they will be of any help.

The CHAIRMAN: I think they would be of some help to us if we have them for reference purposes. No doubt you have done a lot of work to gather them up, and if the committee agrees we can use them here.

Mr. ADAMSON: I so move.

MR. FLEMING: Yesterday Mr. Slaght said he was going to furnish a list of references to all security laws in the various states.

MR. SLAGHT: No, I was going to furnish references to our nine provinces. I am sorry I have not got it here. I will file it this afternoon, or before your committee really goes into conference on it, if I may.

MR. COLDWELL: Have you the amendments?

MR. SLAGHT: Yes, I have the amendments.

THE CHAIRMAN: If you will allow me to interrupt, Mr. Slaght, the next speaker on our list is Mr. John H. Roberts who has to go away this afternoon, but I believe it would be in order to have Mr. Slaght go over these amendments if Mr. Roberts has no objection.

MR. ARTHUR SLAGHT, K.C., *recalled.*

THE WITNESS: Before I give you this I would like to have them distributed, if I may. Before I refer to them may I call your attention to the letter from the Ontario Attorney General which Mr. Read has been kind enough to bring, and a copy of which has been furnished to each member of the committee. This is a letter in 1942 from the Attorney General to the Minister of Justice. I should like to call your attention to two little paragraphs on the second page of it. He says:—

Section 32, however, presents a different problem. Not only is there no offence in our criminal law which is described by this section but I doubt that the dominion has the constitutional power to enact criminal legislation which would cover subsections (b) and (c) of that section.

Then, in another paragraph of the Attorney General's letter he says:

I am quite sure that it was not the intention of the dominion authorities that these provincial offences be made extraditable, and if it were so intended it appears that the dominion authorities would have no power to enter into such an arrangement or to make it effective without provincial legislation.

So there is a record from a province throwing doubt on the constitutionality of the treaty that you were asked to affirm.

Now, may I just give another item of information. I think it was Mr. Hackett who asked if we had any figures on the United States capital invested in Canada. You will find in the Canada Year Book for 1941 this statement, I will put it in the record:

In 1937, the latest year for which an estimate was made British and foreign capital invested in Canada amounted to \$6,765,000,000 of which \$3,932,400,000 was invested by residents of the United States, \$2,684,800,000 by residents of the United Kingdom and \$147,800,000 by residents of other countries.

That answers that, and you will see that nearly four billion dollars at that time was invested; and, of course, that was back in 1937 and I fancy that war industries have brought considerably more in.

MR. HACKETT: My question was directed more particularly to mining.

THE WITNESS: I am sorry I cannot give you the mining figures by themselves, other than for possibly eight or nine companies. I have not been able to go any further than that.

If you would like me to, Mr. Chairman, to touch on these amendments which I placed before the meeting just now; let me say that they are only an effort to be helpful in the event that you decide it is a desirable thing to amend the provisions which now for the first time do away with the necessity of the offence being a crime in both countries. In other words, these amend-

ments would comprise, so to speak, which I feel (I only speak individually) might safeguard our Canadian citizens, which is our aim, and yet make it possible—as some of the members have suggested should be made possible—that if a United States citizen commits an offence with securities in his own country and takes refuge in Canada we want to make it possible to surrender him at once and let him go back to be tried in his own country. I do not think I need to run through these unless you wish me to. I could indicate them if you ilke. I will put it this way, this is entirely a matter for the committee;

Re EXTRADITION TREATY

SUBMISSIONS SUMMARIZED

(Presented by Mr. A. G. Slaght, K.C.)

We beg to submit with great respect the following changes which it is suggested your committee will find it desirable to recommend in their report to the House of Commons.

1. Items 26, 31 and 32 of article III of the treaty be not approved unless the following amendments and changes are made with respect to the following provisions of the treaty and protocol.

2. Article IX of treaty and ss (b) Clause 1 of protocol.

3. That article IX of the treaty be amended by adding the following clause to article IX:

After the word "Country" there shall be inserted a comma, and the following words shall be added:

but the provision last above contained that it shall not be essential to establish that the crime or offence would be a crime or offence under the laws of the requested country shall not apply to a person domiciled in the demanded country and such person shall not be extradited unless the charge is a crime or offence in his own country.

4. That ss(b) Clause 1 of the protocol be amended by adding at the end of ss(b), paragraph 1 of the protocol a similar clause to read as follows:—

There shall be inserted a comma after the word "country", and there shall be added the following words:

but the provisions of this sub-clause (b) shall not apply to a person domiciled in the requested country and such person so domiciled in the requested country shall not be extradited unless the charge is a crime or offence against the laws of his own country.

5. Clause 1 of Protocol

That Clause 1 of the protocol be amended by deleting the words:—

dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested so that as amended it would read:—

1. No person shall be subject to extradition in respect of any matter involving an offence under items 26, 31 or 32 of article 3 of the treaty, unless the offence involves

(a) fraud, as defined by the criminal laws of both countries, or

(b) wilful and knowing violation of the laws of the requesting country.

6. Ss(a) of Clause 1 of the Protocol

That ss(a) of clause 1 of the protocol be amended by adding before the word "laws" the word "criminal", so that as amended sub-clause (a) would read as follows:—

(a) Fraud as defined by the "criminal" laws of both countries.

7. Article XI Second Sentence

That second sentence of Article XI of the treaty which reads as follows be struck out and deleted from the treaty:—

During the period of provisional arrest of a person, whether pursuant to a formal request or otherwise, for the purpose of extradition hereunder, the legal officers of the requested country shall oppose the release on bail of such accused or convicted person, except in cases in which the denial of bail would, in their opinion, cause injustice.

8. Article XII

That Article XII of the treaty be struck out and deleted and that the following provision be substituted so that as amended Article XII should read as follows:—

Everything found in the possession of the fugitive at the time of his arrest which may be material as evidence in making proof of the crime, may be delivered up with the fugitive on his surrender, subject to all rights of third parties with regard thereto.

9. General

That there should be submitted to the provinces for consideration at the dominion-provincial conference the treaty-protocol and the above proposed changes therein.

10. That the question of the constitutionality of the proposed treaty and protocol should be forthwith submitted by reference to the Supreme Court of Canada and that the provinces should be afforded an opportunity of being represented before the court of such reference.

All of which is respectfully submitted.

November 23, 1945.

I thank you.

The CHAIRMAN: Thank you, Mr. Slaght.

Mr. BOUCHER: I understand these are just your suggestions before this committee, they are not a request from your clients?

The WITNESS: My clients—I prepared it, in that the language there used is mine. It is along the lines that my clients have instructed me generally. There may be frailties in it. I did not want to come here and tear things down without suggesting something as to what we think might be a remedy, and that remedy takes the form of these suggested amendments, if you want to adopt them.

The CHAIRMAN: I will now call upon Mr. J. H. Roberts, editor of the *Canadian Mining Recorder*.

Mr. J. H. ROBERTS, editor of *Canadian Mining Recorder*, Toronto, Ontario, called:

The WITNESS: Mr. Chairman and gentlemen, as an editor of a mining newspaper published every week, dealing principally in the advertising of promotional and mining stocks, and with quite a large number of subscribers to that paper residing in the United States, naturally I hear a great deal of these matters from my subscribers. I have had many letters from them regarding the treaty, regarding the S.E.C., regarding various state security commissions and their laws. A number of them have come to Toronto and called upon me in my office. Many of them go up to our mines. Some times I facilitate the arrangements for them, to help them visit our mining communities. I have not yet received one letter favouring the S.E.C. or any of these state security commissions. The American people who write to me and see me and talk with me about these matters take the viewpoint that they have the right to spend their money and invest their money where they like, in

what they like and for what they like; and they regard the activities of the security commission largely as interference with their own basic rights. I had one gentleman a few weeks ago come from Michigan who is quite a heavy investor. He said to me that any time there was a good new offering put before the people he would be willing to buy 50,000 or 100,000 shares if it was a good gamble; so they are no mean people. A Toronto evening paper about that time was carrying on a campaign against stockateers, and incidentally the Michigan security commission had been mentioned, and this gentleman resides in Michigan; he said, I did not know that we had a security commission in Michigan until I read it in the *Toronto Star*; they never take any action there that we are aware of; the only activity they seem to engage in is in objecting to our people purchasing Canadian securities.

And now, I contend—and I am speaking from experience in saying this—that the present demand which has been inspired in the United States—Canada not having asked originally for this extradition treaty—the present demand is merely an effort to enlarge the extra-territoriality which the United States through these commissions is already exercising.

Two years ago I received in the mail—in the mail, mark you; in the registered mail—a subpoena from the state of New Jersey, from the attorney general, ordering me to appear in the capital of that state to give reasons why I should not be enjoined from doing business in the state of New Jersey. And now, my first impulse was entirely to ignore the subpoena on the ground that the right of the state of New Jersey did not run outside of the boundaries of that state, and certainly not outside of the boundaries of the United States, that there had been no proper service and therefore there was no compulsion upon me to appear. My lawyer prevailed upon me to be represented by counsel at the hearing. I felt too that there was another principle involved, namely, the freedom of the press. Mark you, I am not engaged in the selling of stock. I do not sell mining stock either over or under the counter, either openly or secretly. I am merely the publisher of a newspaper. So I felt that the freedom of the press was involved and that I should be represented.

They secured an injunction forbidding me to do business in the state of New Jersey. That is to say, they forbade me to circulate my newspaper there. We appealed the case but again we lost. Now the proceedings were very expensive, as you will know. I am enjoined at the present time from doing business in the State of New Jersey. That is not everything. Quite accidentally I discovered, a matter of five or six months ago, that I was the victim of a secret indictment, and that I was charged along with the head of one of the most reputable brokerage firms in the city of Toronto, with conspiring with him and others, whose names I would prefer not to give. The only thing I had done in that case was, when those firms sent me a number of addressed newspaper wrappers, all I did was to mail copies of my paper which contained a report of the property that the brokerage firm was then dealing with, a mine that is very near to production and would have been in production long ago but for the war and the lack of machinery and lack of labour. I am secretly indicted in the United States at the present time on a charge of conspiracy when all that I have done has been what any other newspaper man would do, every newspaper publisher.

Now I point out to you that that is the kind of extra-territoriality that is being practised to-day in the United States against Canada. If I believed for one moment that the people who advertise in the columns of my paper, the *Canadian Mining Reporter*, were infringing the laws of the United States, and that it was really a crime for them to sell to Americans any of the mining stocks which are advertised in the columns of my paper, I would feel myself in duty bound not to accept any subscriptions from people in the United States. But

I have adopted the viewpoint that: selling to people in the United States is not selling in the United States. There is a marked difference. For example, yesterday I bought by chance a copy of *Collier's* magazine. In that magazine I found, probably, a dozen liquor advertisements. The paper has a wide circulation here in Canada. I put this case before you as a simple man with a non-legal mind. Here I find "Old Granddad Kentucky Straight Bourbon Whisky" advertised. Suppose I wrote to those people in the States and sent them a money order and asked them to send me a case of "Old Granddad Kentucky Straight Bourbon Whisky." God forbid, I do not use it. Suppose those people sent that whisky up here and I picked it up at the customs here in Toronto and paid the duty and took it home. What would have happened. They would have sold it to me in the United States. If it were held that they had sold it to me in Canada, they would thus have sold it to me without first obtaining a licence. I believe that case is on all fours with this case. I believe that when the promoter or the brokerage firm here gets an order from the United States, he does not send the certificates out until the cheque or remittance is cleared and the whole transaction is completed in Canada, not in the United States. Because I believe that and have found nothing that would prevent any change of view on my part. I will continue to accept such advertising and I shall believe, that as a Canadian citizen, I have a perfect right to do so.

There are two things, -very briefly, that I would like to say. First I want to register my objection, not as a newspaper man, not as one interested in the mining industry, but simply as a plain, common, every day citizen of Canada. I object to the government of Canada enacting legislation that will compel me to obey the laws of a foreign country even though I may never enter that foreign country. I think that should go on record as coming from not only one but from many people. We are Canadians. We are not Americans. We are not subject to Washington or to any state authority. If we obey the laws of Canada as laid down for us, then we have done our duty. If we break those laws, then we should be punished. But to compel us to obey the laws of a foreign country is a contravention of our basic rights as Canadians and I protest against it in the most emphatic way possible.

I think there is a better way than is being proceeded with under the extradition treaty. I do not know how far you gentlemen of the House or Houses are aware of what is being done in this country, particularly, in the province of Ontario, to protect the interest of the investing public. This will apply more in the future than to-day because lately Mr. Justice McTague has become chairman of the Ontario Securities Commission, and in every way the operations and regulations of that body have been strengthened and extended. But even in the past, apart from that, it happened that before any salesman could sell stock he was first investigated. His conduct was scrutinized and his record investigated. His financial position was made known and proved to be satisfactory. He had to furnish references from bankers and others. In fact it was exceedingly difficult for a stock salesman to get registered, especially if there were any black marks against him. Then the whole financial set up of the issue he wishes to sell is studied from every angle, from the angle of engineer's report, geological reports, titles. Everything is done by the Securities Commission of Ontario to see that, before an issue is allowed to be sold under the approval of the Ontario Securities Commission, everything is done to protect the interests of the investor. I have criticized the Ontario Securities Commission upon occasion and I shall probably do so again, should I find it necessary. Newspaper men like to do those kind of things sometimes. I should like to say that I am filled with admiration for the thorough, systematic way in which the Ontario Securities Commission does conduct their investigations for approving issues. But this is what might have been done to make the registration say, by Ontario reciprocal in the United

States. If our security commission here in Ontario has gone to an extraordinary amount of trouble first of all to find out if there is a mine, and then to find out if the conditions obtaining in regard to the investment are proper and correct, then let the state of Michigan accept such findings. On the other hand, if Michigan has something that it wants to have sold here in Canada, then let our commission here in Ontario, or in the other provinces, accept that and make it reciprocal.

It might easily be that in each of the states the mining company here or its underwriters would have to follow a prescribed form and appoint a representative who could be served in the States, but surely that would be the part of statesmanship and not the evident intention of a number of officials to secure registration, and I am afraid, at prohibitive fees for their own security commission. I believe that if that were done it would be helpful to the investor and helpful to the mining industry. I know that the question has been raised here as to how much money is invested in the mines of Canada by American people. I would say that the average American investor will invest more than twice as much in Canadian mines as the Canadian investor would. I would say that the great bulk of our money will come from the American investors in Canadian mines.

Now, there is one other thing to be said briefly. It is not a one-way street. One of the security commissions in the United States recently stated, and it appeared in our public press, that in the month of June, \$43,000,000 had been invested by Americans in Canadian securities. That statement appeared after giving a list of a number of offenders against their security laws. The implication was that \$43,000,000 had been invested in June in mining securities in Canada. It is not so. As I said, it is a two-way business. The exact amount was \$20,000,000. That is the amount. In the eight months ending August 31, the people of the United States bought \$195,000,000 worth of Canadian securities, most of which were dominion, provincial and municipal bonds. In the month of August last the people of Canada, approximately, invested \$2 in American securities per capita while the people of the United States, per capita, invested 33 cents.

I hope that what I have said may help in the discussion and that we will succeed in preventing this noxious clause being approved.

The CHAIRMAN: Thank you, Mr. Roberts. It is now ten minutes to one and I believe that the members of the committee here present would be satisfied to adjourn.

Mr. LEGER: I move we adjourn.

The CHAIRMAN: Yes, and before we adjourn I would like our steering committee, and I ask Mr. Low, Mr. Marier, Mr. Jaenicke and Mr. Adamson, to stay for a moment. I want you to remember that we intend and we expect to sit next Monday at 10 o'clock. I would like to thank you again for coming here so numerously. From now on I want you to be missionaries so that we can have a quorum when we meet on Monday.

The committee adjourned at 12.50 p.m., to meet again on Monday, November 26, at 10 a.m.

SESSION 1945
HOUSE OF COMMONS

Government
Publications

STANDING COMMITTEE
(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

MONDAY, NOVEMBER 26, 1945

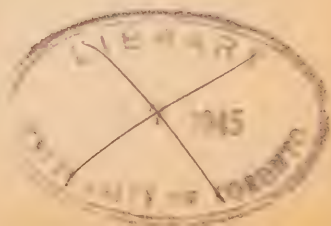
WITNESSES:

Honourable Philippe Brais, K.C., counsel for the Montreal Stock Exchange and Curb Market.
Mr. G. P. Dunlop, general manager of the Montreal Stock Exchange.
Mr. Arthur Slaght, K.C., Toronto.
Mrs. Viola MacMillan, president of the Prospectors and Developers Association of Canada, Toronto.
Mr. Sidney Norman, *Globe and Mail*, Toronto.
Mr. Gordon Jones, Chairman, Legislation Committee, Ontario Security Dealers Association, Toronto.
Mr. Arthur Cockshutt, Toronto.
Mr. J. E. Read, K.C., External Affairs Department.

Including Statements of

Honourable R. L. Maitland, K.C., Attorney General, British Columbia.
W. R. McDonald, M.P., (Pontiac).
Walter Little, M.P.

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1945



ERRATA

Meeting of Thursday, November 8, 1945.

Add the name of Mr. Picard to the list of members present.

Meeting of Tuesday, November 20, 1945.

Add the name of Mr. Adamson to the list of members present.

MINUTES OF PROCEEDINGS

Monday, November 26, 1945.

Room 268

The Standing Committee on External Affairs met this day at 10 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudry, Boucher, Bradette, Fleming, Fraser, Adamson, Hackett, Isnor, Jaenicke, Leger, MacInnis, Marquis, Tremblay and Dechene—(14).

In attendance:

Mr. George MacMillan,
Mr. W. P. Marchment,
Mr. Gordon Jones,
Mr. G. P. Dunlop, General Manager of the Montreal Stock Exchange,
Mr. H. McD. Paterson, Chairman, Montreal Stock Exchange,
Mr. Hugh R. McCuaig, Chairman, Montreal Curb Market,
Mr. Arthur Cockshutt,
Mr. J. D. Watt,
Mr. W. R. McDonald, M.P., (*Pontiac*),
Mr. A. C. Casselman, M.P.,
Mr. Walter Little, M.P.,
Honourable R. L. Maitland, K.C., Attorney General and Honourable H. A. Anscombe, Minister of Public Works, British Columbia,
Mr. J. E. Read, K.C., External Affairs Department.

Mr. Read tabled for distribution, as promised, copies of correspondence exchanged between the Bell Telephone Company of Canada and the External Affairs Department relating to the Extradition Treaty.

Mr. Hackett, on behalf of Mr. Slaght, tabled a list of statutes and regulations dealing with securities and security fraud prevention in the nine provinces of Canada.

On motion of Mr. Hackett, *Ordered*, that the above-mentioned list be printed as an appendix to today's evidence. (*See Appendix A of this day's minutes of proceedings and evidence*).

Honourable Philippe Brais, K.C., was called and examined.

The witness filed with the Chairman a brief on behalf of Mr. R. C. McMichael and himself. He quoted statistics on stock transactions and filed several informative circulars and market letters.

Mr. G. P. Dunlop supplemented the statistics given by Mr. Brais.

Mr. Brais gave the list of applications for extraditions since 1940 and quoted a telegram from the warden of Sing Sing penitentiary.

The witness retired.

By permission Mr. McDonald, member for Pontiac, read the following telegrams addressed to himself:

1. From Lucien Tourigny, Vice-president of Val D'Or Chamber of Commerce;
2. From the Malartic Chambre de Commerce;
3. From the Mining Committee of Rouyn-Noranda.

Mr. Arthur Slaght was recalled and made a correction in one of his suggested amendments to the Treaty and Protocol (*See minutes of evidence*). Mr. Slaght retired.

Mrs. Viola MacMillan was called. She expressed her opposition to the Treaty and retired.

Mr. Sidney Norman was called and voiced his objections. He read a telegram from Mr. E. E. Johnston of Western Mining Association of Spokane, Washington. Mr. Norman was interrogated and retired.

The Committee adjourned at 12.45 until 4 o'clock this day.

AFTERNOON SESSION

The Committee resumed its consideration of the Extradition Treaty and Protocol thereto.

Members present: Messrs. Beaudry, Benidickson, Boucher, Bradette, Croll, Fleming, Fraser, Adamson, Hackett, Jaques, Jaenicke, Léger, Marquis, Mutch and Tremblay—(15).

In attendance:

In addition to those named at the morning sitting, Mr. Louis Audette, First Secretary, External Affairs Department, Honourable Mr. Garson and Honourable R. L. Maitland, respectively Premier of Manitoba and Attorney General of British Columbia.

The members were informed that the Prime Minister had announced in the House that the Extradition Treaty might be allowed to stand until the next Session.

Honourable R. L. Maitland was called and heard.

After a short discussion on the business of the Committee, Mr. Gordon Jones of the Ontario Security Dealers Association was called. He gave statistics and information relating to prospected mineral lands and mining transactions.

The witness read a letter addressed to himself from T. H. Lewis of Minneapolis, Minnesota.

A new geological map of the Dominion of Canada supplied by Mr. F. C. C. Lynch of the Geological Service of the Department of Mines and Resources proved most helpful.

On motion of Mr. Boucher, *resolved* that the portion of evidence of Mr. Jones respecting certain methods of security registration in the United States as proposed by two lawyers in the course of an interview be referred to the Steering Committee for consideration.

Mr. Jones retired.

By permission, Mr. Walter Little, M.P., was heard in favour of the mining prospectors.

Mr. Arthur Cockshutt was called and examined on the methods of prospecting and the work of prospectors. Mr. Cockshutt retired.

Mr. Read, legal adviser of the External Affairs Department was recalled and stated that he would like to defer his comments. He introduced Mr. Louis Audette, heretofore in command of one of His Majesty's Ships, who will act as liaison officer between the Committee and the Department of External Affairs. Mr. Read retired.

The Chairman tabled the following communications. He read the first one:

1. From Bob Potter of Matheson, Ontario.
2. From René Chênevert, K.C., of Montreal.
3. From The Kirkland Lake Kiwanis Club.
4. From the Vancouver Stock Exchange with a covering letter to Mr. Reid, M.P.
5. From Mrs. Viola MacMillan with a letter to the Minister of Veterans Affairs.
6. From T. A. Sutton of Toronto.
7. From F. E. Woodside, manager of the British Columbia and Yukon Chamber of Mines.
8. From R. F. Parkinson, executive director of the Ontario Mining Association.

Some of these communications were accompanied by briefs.

On motion of Mr. Beaudry, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS

November 26, 1945

The Standing Committee on External Affairs met this day at 10.00 o'clock a.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Now that we have a quorum we will proceed. I want to thank the members of the committee for being here on Monday morning. I know it is a problem for most of you so I appreciate it very much. I came from North Bay this morning so I had to hustle. The witnesses are here now. We will have distributed to the members correspondence concerning the application to the Bell Telephone Company of Canada of the treaty for extradition of criminals concluded between Canada and the United States, etc. I would ask the secretary to distribute that to the members.

Mr. HACKETT: Before you go any further, Mr. Chairman, can my motion be put?

The CHAIRMAN: Would you repeat it?

Mr. HACKETT: I move that the list of provincial statutes enacting the security laws now in force in the different provinces be printed as an Appendix to this day's proceedings. I think you will recall that Mr. Slaght undertook to provide that list and he has just now handed it to me for the purpose of having it embodied in the record.

The CHAIRMAN: Will you second that, Mr. Beaudry?

Mr. BEAUDRY: I will.

The CHAIRMAN: Moved by Mr. Hackett, seconded by Mr. Beaudry; all those in favour kindly signify.

(Carried).

Our first witness will be Hon. F. P. Brais. Next we will have Mr. Slaght who will make some brief remarks about his suggested amendments.

Mr. SLAGHT: Just a correction.

The CHAIRMAN: And then Mr. Sidney Norman, Mrs. MacMillan and Mr. Gordon Jones. I will now call on the Hon. F. P. Brais, K.C., Legislative Councillor for the province of Quebec, Canadian, who is representing the Montreal Stock Exchange and Curb Market.

Mr. HACKETT: I know, Mr. Chairman, you are very tolerant of everyone, but this committee has sat almost continuously since last Thursday. I know that many of the members of the committee would rejoice if the hearings could be drawn to an end at 1.00 o'clock.

The CHAIRMAN: I think that the persons coming before this committee feel the same way because some of them have been put to quite a bit of expense and they do not want to prolong the procedure unduly. At the same time if it is impossible to complete our work by 1.00 o'clock I will ask, if it is at all possible, that we meet again at 4.00 o'clock this afternoon so as to complete the hearing of the witnesses.

Hon. F. P. BRAIS, K.C. Counsel for the Montreal Stock Exchange and Curb Market, *called*.

The WITNESS: I am deeply appreciative to you and the members of the committee for having been willing to allow us a hearing and to have given so much time for the consideration of this problem. Now I will get right into the subject matter. Being in agreement with the suggestion of Mr. Hackett I think I can be brief this morning. The territory has been well covered and there are only some points that we wish to add. We have here representing the Montreal Stock Exchange its chairman, Mr. H. M. Paterson, the chairman of the Montreal Curb Market, Mr. H. R. McCuaig, and the general manager of those two exchanges, Mr. G. P. Dunlop.

The CHAIRMAN: I will ask those gentlemen to stand.

The WITNESS: There has been placed in the hands of your chairman a short brief signed by Mr. R. C. McMichael, K.C., of Montreal, as counsel of the Montreal Stock Exchange, and myself on behalf of the two exchanges. There will be copies available.

The basis of our representation is that the Montreal Stock Exchange is composed of a group of business men who have never had to mix with the law in our province. There was at one time a certain number of fraudulent brokers whose activities became more evident when the markets broke. Let it be said here, and it has been said before, that they have all gone to jail. Whenever there has been any dereliction on the part of men who have been endeavouring to defraud the public in the province of Quebec, both through the activities of the Montreal Stock Exchange and through the activities of the Department of the Attorney General that situation has ceased immediately. I do not think there are any complaints that have been formulated by our friends to the south and certainly none by residents of Canada within the last ten years relative to the activities of any brokers in Montreal and in the district served by the clients whom I represent here today. It is our view that the laws of this country are certainly sufficiently rigorous to take care of any individual who is trying to defraud purchasers either here or elsewhere because he would be equally guilty if he endeavored in Canada to defraud customers in the United States.

We had, for example—and my principals recall this—boiler shops, as I think they are called, in Montreal whose business it was to sell stocks fraudulently outside of the province of Quebec, sell into Ontario and sell into the United States. Their operators have all gone to jail. They have all been to jail and I do not think there is any use giving their names because they have served their sentences and have expiated their crimes, but every last one of them has been brought to justice. Every last one of them has been convicted and today that type of business is not carried on. We are rather pleased to state that.

On the other hand the Montreal Stock Exchange and the Montreal Curb Market are carrying on an exceedingly large and legitimate business in so far as Canada is concerned and so far as business ethics are concerned with the United States. We have some statistics here which are available as they have to be sent in to the Dominion Bureau of Statistics, Internal Trade Branch. They have to do with a Montreal Stock Exchange questionnaire. They show purchase and sale of securities between Canada and the United Kingdom, United States and other countries. These statistics are sent in every month. I have here a copy of the report which was made by the Montreal Stock Exchange to the Federal Government for the month of February, 1944. It is a short month. It is interesting to note that provincial issues to the amount of \$8,000 were sold in the United States; Canadian issues, municipal, to the amount of \$126,000; Canadian outstanding issues guaranteed by the Dominion Government, \$105,000,

and Canadian issues, other business corporations, in the amount of \$41,000. The grand total of sales in the United States was almost \$2 billion including resale of American securities.

By the Chairman:

Q. Is that a typical month?—A. I had it picked out on Sunday. It is February, 1944. I would say it is a typical month. What would you say, Mr. Dunlop?

MR. DUNLOP: I think business this year—yes, it would be a typical month.

THE WITNESS: Business this year would be more?

MR. DUNLOP: No, I think that is a typical month.

THE WITNESS: Let it vary 25 per cent each way. It will give you an idea of the tremendous amount of business which is being carried on from one stock exchange alone in the United States. These Canadian issues are of the highest type of security, government guaranteed and municipal issues, and are sold by the Canadian broker on the United States market. For what purpose is that done? That is in order to take advantage of the purchasing power in the United States. It is in order that we may be able to bring into Canada American dollars which are so badly needed and are still badly needed to take care of our war purchases in the United States. Having that wider market in the United States prices of bonds are higher, interest is lower. Canada in its financing is better able to sell in the United States where the rate of interest is, of course, lower than here.

Why we should preclude ourselves from going to the United States and selling not only our bonds, but also selling in the United States the more speculative forms of investment that we need to develop our industries and develop Canada, and especially to develop our natural resources, is something that we have to ask ourselves? That is a matter that we feel we are bound at this stage to place before this committee because the consequences would be exceedingly important. I know, and I am in agreement with Mr. Read, that these transactions being carried on as they are between brokers and being legitimate and honest, one is not apt to anticipate that the American Securities Commissioners would wish to arrest, for example, the Minister of Finance and the Victory Loan Chairman who sold in the United States Dominion of Canada Victory Loan, yet they were subject to arrest for having sold in the United States Dominion of Canada Victory Loan bonds because our Victory Loan was not registered there. By the same token the Province of Quebec has not seen fit not to register certain provincial bonds in the United States under the S.E.C. If a Canadian broker solicited clients in the United States for the purchase of those bonds he would be subject to the operation not only of the S.E.C. but also would be subject to the operation of all the laws of all the states in the Union.

As soon as this order is passed he would receive all the statutes from the various states of the union, and from that moment on if he saw fit to carry on his ordinary business—about 25 per cent of his business, according to these statistics, is carried on in that fashion—and he had on his desk these laws from the various states, at any moment he would be subject to arrest, and not only arrest but on the moment of arrest the attorney general would have to demand that he be held without bail. Being held without bail he could remain there for two solid months before the papers might come through. Mr. Read will agree with me that whenever extradition is contested, and even if it is not contested, that it does take almost all of two months to be able to get the required papers put through the diplomatic channels, from the Attorney General

to the State Department, through the State Department and from there to the State Department of External Affairs in Canada, and from there to the various provincial officers.

By Mr. Hackett:

Q. Without wishing to exaggerate what would be the position of the Minister of Finance for Canada and the position of the treasurer of any province who got out a prospectus for the sale of Victory Loan bonds or provincial bonds and circulated it or caused it to be circulated or permitted it to be circulated in the United States, and purchases of those bonds were made without any registration of them according to the requirements of the S.E.C. or of the similar state enactments?—A. If the 1942 treaty had been ratified by the Parliament of Canada the Chairman's action in going to New York on the earlier bonds and selling bonds there or allowing the issue of a prospectus which obviously is for solicitation purposes—no matter if you put on it that it is not for solicitation it is for that purpose—the Minister and the Chairman would be subject to arrest and would be subject to be jailed. On an application for extradition they would presumably have to remain in jail until the papers went through.

Q. Is that not equally true under the terms of the document we are considering if Mr. Spinney and Mr. Ilsley had not gone to the United States but had circulated this prospectus or permitted it to be circulated in the United States?—A. Quite. If they had allowed a prospectus to be circulated for that purpose.

Q. Or remaining in Canada and having done something that was perfectly innocent, something that is laudable as we see it, he might be a criminal in the United States and be extradited and punished?—A. Quite.

By Mr. Boucher:

Q. That might even happen if, for instance, the Minister of Finance were to send one of the chairmen of his Victory Loans to the United States to solicit business. Both the chairman and the Minister of Finance would be liable?—A. Yes. When we met the Committee of the Cabinet in 1942 on this treaty we stated to the Minister who was then present that he would be subject to extradition.

By Mr. Fleming:

Q. Is that the reason the clause is inserted in the protocol that the treaty is not to be retroactive?—A. All I can say is obviously it could have created some difficulties because they would have been subject to the operation of the treaty at the time if it had then been ratified.

MR. ADAMSON: I asked Mr. Read if he would table with the committee the prospectus of the Dominion of Canada for the last bond issue which they tried to get registered and did get registered in the United States for sale through the S.E.C. It is germane to the question we are discussing now and I wonder if Mr. Read would see whether that can be done. I think it is a document of some twenty odd pages which the Dominion of Canada had to table with the S.E.C.

MR. READ: I want to apologize to the committee and say that it has been a matter of incredible difficulty attending the meetings of the committee and carrying on the rest of the work of the department, and that we are in an absolute jam at the moment. There is a Dominion Provincial Conference being held and it is not possible for the Department of Finance to set to work and get this information ready. I have not even been able to see any one in the Department of Finance during the last three or four days.

Mr. ADAMSON: It was all printed and typed in this booklet. I have seen it myself. I think it would be interesting if the committee could have it.

Mr. READ: I will try to get it for you.

Mr. LEGER: We should go on with the hearing of the witnesses because we have so many.

The WITNESS: If I can give you these figures it will shorten matters because then I will not have to call any witnesses. These figures are authentic, and it will save time.

Mr. HACKETT: I was going to ask Mr. Brais, who has been very intimately associated with the Department of Finance in all these Victory Loan campaigns, if he would not be able to get this prospectus from the Department of Finance with possibly less difficulty and more expedition than Mr. Read. I think he knows the inner workings of the Department and will probably prevail upon them to file that material—if I have Mr. Read's permission—because it is a departmental document. Briefly, gentlemen, and to save time, I am going to give figures here. In order that we may not have to call witnesses and repeat the same thing, I have copies of the same thing certified by Mr. Dunlop. If you want to hear him afterwards he can be called. Otherwise, and in an effort to shorten these proceedings I am going to give you a statement of the bond sales made by Canada to the United States. I have here a certified copy of the transactions of the Montreal Stock Exchange giving representative figures for the years 1937-1945:—

MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET

Year	Value of Transactions	Buy and Sell
1937	\$583,573,275	\$1,167,146,550
1938	274,434,316	548,868,632
1939	225,645,856	451,291,712
1944	130,399,220	260,798,440
1945 to September 30	172,901,401	345,802,802

SALES AND PURCHASES OF SECURITIES IN THE UNITED STATES

Year	Value	Percentage of Buy and Sell
1944	76,676,460	29%
1945 to September 30	92,186,613	27%
Average percentage of U.S. business to total Buy and Sell		28%

USING THIS PERCENTAGE (28%)

Year	U.S. Business
1937	\$362,800,034
1938	152,583,217
1939	126,361,679

MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET

G. P. G. Dunlop,
General Manager.

November 24, 1945.

STANDING COMMITTEE

MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET

SALES OF SECURITIES TO AND PURCHASES FROM THE UNITED STATES DURING 1944

Month	Sales to	Purchases from
January	\$1,782,570 04	\$1,419,411 40
January	1,660,725 60	1,293,115 83
February	1,849,050 65	1,815,161 36
February	1,383,390 36	854,693 33
March	2,072,239 68	1,824,124 38
March	1,782,916 59	1,045,431 19
April	1,449,877 92	1,255,473 79
April	1,966,898 84	1,341,328 72
May	2,023,565 11	1,819,820 76
May	1,792,126 99	1,027,234 21
June	1,674,043 97	1,185,508 18
June	1,831,108 12	1,521,966 81
July	2,401,960 08	2,175,280 74
July	1,809,943 39	1,194,892 32
August	2,240,403 33	1,821,392 96
August	1,681,356 30	1,189,140 66
September	1,423,222 85	1,258,108 54
September	1,196,608 85	623,910 00
October	1,655,442 04	1,556,216 88
October	1,542,343 49	657,632 43
November	1,760,979 80	1,577,453 07
November	1,570,841 35	1,015,137 60
December	2,247,480 92	1,895,564 46
December	2,447,504 87	2,061,859 99
Total	\$43,246,601 14	\$33,429,859 61
Grand Total		\$76,676,460 00

MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKETG. P. G. Dunlop,
General Manager.

November 24, 1945.

Mr. JAENICKE: That does not include actual currency coming into Canada, does it?

Mr. DUNLOP: I think those are the total transactions on the exchange which you gave. Below that is the percentage of the United States.

The WITNESS: Yes, these are the total buy and sell which I presented. Below that is the percentage of buy and sell applicable to the United States.

Mr. DUNLOP: That was the total Exchange transactions.

The WITNESS: Oh, yes. Then, if you take the average of 28 per cent and apply it to the figures for this year's business to date, that would give you an indication of the percentage of American business being transacted by the Montreal Stock Exchange.

The CHAIRMAN: Could we use that for the committee?

The WITNESS: Yes, I have copies of that, sir. I brought those figures in order that they might be available to the members, and then if there are any questions they desire to ask, they would assist in the discussion.

By Mr. Beaudry:

Q. Is there any appreciable difference in the percentage from American business as compared to the total business of the exchange between 1936, I think you said, and either one of the years, 1944 or 1945?—A. Mr. Dunlop tells me it was standard. During the war the percentage would be liable to be some what less; there would be some curtailment. Now the war is over the percentage

could of course come back to the same average as in 1939. We were not able to get the earlier figures so we just took the average between 1944 and 1945, which, as you will see, is 28 per cent.

Q. What I am really trying to arrive at is, has the Treaty of 1942 lowered the percentage considerably, or has it not?—A. No, the Treaty has never yet been in force.

By Mr. Jaenicke:

Q. Are the figures in that statement of the value of the stock sold to the United States actual cash that has been sent into this country?—A. It is the value of the stock. A lot of that is washed through in the United States.

Q. What do you mean by that?—A. What we sell is compensated by what we buy in the United States; but if we could not sell at all in the United States and we had to buy down there, the balance of American money, instead of being so strong in Canada's favour as it is now, would be all the other way. There would be no money coming into Canada from that source. Do you follow me there?

Q. No, I do not. The argument put up to the committee before was that this country will suffer in respect to the flow of American capital into this country for development, of mines especially; and now, the figures that you quoted represent the money that came into Canada?—A. No, it is the money that has been owed to Canada. A lot of it has come in. Technically, it is money.

Q. You haven't the figures on that?—A. Yes, I have the figures on that, and Mr. Dunlop has these figures; and I think in order that there be absolute clarity on that that as soon as I am through, we had better have Mr. Dunlop called to give you further information.

Q. We would like to have an idea of how much American capital has been flowing into Canada all these years.

Mr. BOUCHER: You would like to know the balance between purchases and sales. That would be the net benefit to Canada, would it not?

Mr. JAENICKE: No, what I want to know is the amount of American capital coming in for the development of our mines, I would like to know how much money is coming in.

Mr. BOUCHER: In other words, what the total purchases and sales were, the net amount coming in.

The WITNESS: We have that. Mr. Dunlop will be able to give it to you. I do not want to commit myself on these exact figures.

By Mr. Fraser:

Q. That would only be the Montreal Stock Exchange, not all of Canada?—A. This is only the Montreal Stock Exchange, our total activities in mining are very much less than Toronto. Toronto is the mining centre, we are sorry to have to admit, but we do admit that; and it is very much the mining centre of Canada insofar as finance is concerned.

Q. The question was what amount of money was coming into Canada.

Mr. JAENICKE: Montreal will give us an idea.

The WITNESS: Of course, the figure of the Montreal Stock Exchange would be just a criterion in so far as ordinary stock transactions are concerned. It will not take care of the further very large entry into Canada of mining money, money for the development of natural resources.

Mr. HACKETT: What we call venture money.

The WITNESS: Venture money.

Mr. FRASER: Then you would have to call the Toronto Stock Exchange to get that.

The WITNESS: Yes, they should be able to give you the figures.

Mr. FRASER: I think that would give you a better picture of it.

Mr. FLEMING: While we are on that, let us not confine ourselves to net balances of sales in Canada, it is the gross that we are interested in.

The CHAIRMAN: Of course, we could get those statistics from the Bureau of Statistics.

Mr. DUNLOP: Our reports are filed monthly.

The WITNESS: It is the gross that is interesting. If you do not have the gross on the credit side, you do on the debit side. If this Treaty goes into effect then it would be the whole of the gross against Canada.

Mr. FRASER: We are not concerned with the net at all.

The WITNESS: I do not think so. It is not in question. And now, we need to sell in the United States to obtain from the United States money that comes in in that fashion. We send to our clients what we call trade letters. The Americans have been doing that right along in connection with securities they are selling in Canada. I see here for example a series from Goodbody and Company, one of the large American brokerage houses, obtained from Green-shields Company's office here in Ottawa this morning, a series of trade letters; they call them "Research Department Bulletins". They suggest advantageous investments and also "speculative" possibilities. They also explain why certain stocks or bonds are "oversold". On top of these sheets they say: "This is not for solicitation purposes, this is for statistical purposes". But that is obviously not meant. This solicitation in Canada is quite legitimate. The American brokerage houses maintain large offices in Canada. There have been five American brokers with offices in Montreal right through the war in spite of any stock depression, and they will be ready to continue to maintain these offices. It is legitimate for them to do so. It is honest for them to do that—unless and until they put in a statement which is untrue; and if they put in here a statement which is untrue they are liable to be extradited—to Canada for having defrauded Canadian citizens with these circulars. By the same token, the Canadian broker who sends information by, say, a telephone message or a circular which contains something which is untrue about a stock that he is trying to sell, is liable to be called to answer for it, to be sent to jail in the United States. Furthermore, he is subject to be jailed here in Canada if he in Canada through the medium of the telephone and/or mail defrauds somebody in the United States, because the crime would have been committed in both countries. I see here this morning the Attorney General for British Columbia who knows something about the criminal law and about extradition. I have every confidence that if something is done here to defraud there would be speedy extradition. I respectfully submit, gentlemen, we do not need this treaty. It makes an individual in Canada amenable to any security commission in any state of the union. This treaty would make any American citizen or any Canadian citizen amenable to United States laws not if he does something dishonest, but if he just simply solicits trade and does it honestly. I submit this with all due deference, Mr. Chairman; if a Canadian citizen solicits trade honestly in the United States I do not think he should be prevented from doing so when the American citizen can honestly solicit trade in Canada. And why should we wish to extradite and jail in Canada any American just because he has made honest sales here—carried on business which is legitimate according to our standards, which I am pleased to say, are as strict and are as rigidly enforced as anywhere in the world.

I now file these reports, Mr. Chairman, because they show actually what our American friends are doing here and what they would try to prevent us from doing over there.

The CHAIRMAN: Are the committee in favour of having this material filed?

The WITNESS: I have here, as a matter of fact, a list which we obtained from Goodbody & Company, which has been circularized throughout Canada and which we obtained in Ottawa this morning from the office of Greenshields & Company.

The CHAIRMAN: I want a motion to have that printed.

Mr. LEGER: I do not think it need be printed in our record.

Mr. ADAMSON: I do not think it need be printed, it might be well to have it filed. It would not add very much to the record. It is merely the regular circular letter sent out by practically all of the major American brokerage houses.

The WITNESS: Some of them send them out daily. Now, I have another one here which says, this letter is not to be deemed a solicitation or a prospectus; and you have a whole series of stocks of all kinds and information about them. It is suggested that a lot will go up and some of them will come down. And on the last page I read: stocks for speculation with appreciation possibilities. You have a long list—Douglas Aircraft, etc. A man reads it, and obviously he reads it because he wants a speculation instead of a straight investment opportunity. That is the purpose of a document of this kind—to give general information about markets. And our people do the same thing—they tell their clients what is going on in the markets here, what is going to happen at Noranda, and so on. It is a regular service. Every American brokerage house also does that.

Mr. ADAMSON: It is a regular brokerage service.

The WITNESS: Yes, they have the right to know that too. And now, Mr. Chairman, I want to be just as brief as I can. But I want to give this committee what, as I see it, is rather important information, and it is this. There has been no breakdown in the maintenance of justice in Canada. We have our long history here in Canada of being able to maintain peace and order.

Mr. Chairman, I know Mr. John Read well. I have, with the rest of the bar and the members of this committee I am sure, the greatest respect for his ability. I know that before long Mr. John Read will be known throughout the world as one of its great international lawyers. I say this advisedly, because I had the privilege of being with him in Washington at a conference of international jurists which preceded the San Francisco conference. I know, however, that he can have found neither the time nor the inclination to acquire much personal experience or direct contact with criminal matters or extradition. I am perfectly sure that he has never been before the courts in connection with an extradition matter or any criminal offence. I have been before the courts. I have appeared there on behalf of the Canadian government, and I have appeared there on behalf of the American government. I know what happens. I have no knowledge of any demand for extradition having been refused. That has not occurred, to my knowledge, in our jurisdiction. I have no recollection—and there I am subject to correction—but I have been in touch with the police and I have asked them about extradition conditions in Canada. I have been in touch with the United States Consul in Montreal to find out if they had any record of any request for extradition from Canada to the United States ever having been refused. I have been unable to find one. It is possible that one or two may exist, but I have not been able to find them.

Mr. HACKETT: Some of them have been vigorously resisted.

The WITNESS: Yes, some of them have been most vigorously resisted. Just on that point, there is some interest in this; here in Canada we apply our

laws and we apply them rigorously. Because we apply them rigorously we are able to follow up criminals and we are able to bring them to justice; and there has been no breakdown in the operation of our laws here as applied to fugitive American citizens coming to Canada. They do not come here because they know they cannot stay here. May I give you this as official? This is an official list of applications for extraditions since 1940 to date, at Montreal, from the United States. The first case was theft of a motor car; the American government had no proof to offer and the charge was withdrawn. That chap was in jail for quite some time before that statement was made. The same thing occurred in the second case and also in the third case. Those are cases where they were after people in 1940. Our records do not go beyond that date. There has been a new clerk since that date and I have not been able to contact Mr. John Lomax, the former clerk, who had the records previously. However, as I say, the first three cases were withdrawn by the American government. And then there are nine other cases between 1940 and 1945 in which the accused renounced their right to contest and were sent back to the United States. There was one contested case where the accused was ordered back. That is all.

MR. JAENICKE: But these are cases where the crime was committed in the United States?

THE WITNESS: Oh, obviously. That is of the very essence of the application of criminal law, and it goes to the very root of a man's right to his liberty, that he cannot be punished for something which is not known as a crime by the people amongst whom he lives. We have got laws covering every part of Canada which are as strict as any laws in the world.

MR. JAENICKE: I agree with you there.

MR. HACKETT: Don't you think that you could add to your statement that the number of applications for extradition was fairly low during the war period—lower than during the period immediately preceding. Do you not think it would be fair to conclude that that was due in part at least to the more effective boundary control that we had during that period?

THE WITNESS: Quite. I phoned Mr. Read on Saturday and asked him if he could possibly give me the figures for the pre-war period so that we might have a picture of the days when the normal flow across the line would apply. He has not been able to get those figures for me. I think we can all understand how in normal times there would be more activity of that kind. I was in touch with Police authorities and am informed that there were more cases before the war but that the picture, the results, were essentially the same.

By Mr. Jaenicke:

Q. You mentioned some prosecutions in the Province of Quebec where the offenders were sent to jail. Were those prosecutions taken under the Code or under the Securities Fraud Act?—A. They were taken under the Criminal Code. The Code is so broad. Under the definition of theft, article 347 of the Criminal Code, theft embraces everything. To give you an example, you know how difficult it is to obtain convictions in bankruptcy frauds. Well, the last request which was made for extradition was for a chap who was accused of having falsified his books for bankruptcy purposes, a chap by the name of Albert Schneider. He was arrested and sent back to the United States.

Q. The Quebec Act seems to be more severe than the acts of the other provinces?—A. We have never used the Quebec Act for prosecution purposes because we considered that we did not need it for prosecution purposes. It has never been used.

By Mr. Hackett:

Q. Then you consider that the Criminal Code is sounder and constructed on a broader basis?—A. Quite. It is based on common law. Once I went to Malone, New York, on a manslaughter charge. It was argued over there that the conception of manslaughter was not the same there as it was under our Code, because over there the charge was based on the English common law. The American justices had gone through our Code and one of them said: "In your Code you have simply codified what we have here." The two "are similar."

We do not want to curtail the possibility of American courts prosecuting those chaps who operating from Canada are defrauding American clients. They can do it if they want to; but if they want to do it by an artificial form of crime such as was resorted to to convict Al Capone and certain other bandits, then we are abandoning the safeguard of stability and respect for justice which can never exist when "artificial" crimes are created. Our brokers who are carrying on honest transactions will find themselves precluded from soliciting business as is the custom of the trade. Now, what will they do? Will they hope that the United States won't apply the law against them? But supposing the state of Nevada, or some other state, does so for political purposes? And that does happen. Shall we do the same thing? What about the case when Oklahoma oil wells operators came into the province of Quebec and sold their stocks to every Tom, Dick and Harry, principally to doctors, lawyers and clergymen. I understand that those are the classes of people who fall most easily by the wayside. There was no complication in bringing those fellows back just because they fraudulently sold stocks. We never wanted to bring back the others who had honestly sold oil rights. We never prevented them from doing that.

Our representation, summarized, is this: we want to be allowed to carry on business which has been carried on to date, first, because it is legitimate; and second, because it is necessary to Canada. For that purpose we want to be allowed to sell in the United States without having to be called a criminal for so doing. We want to be allowed to sell all the stocks which are registered on any recognized Canadian exchange and also to be allowed, as in the past and as our American confreres are doing here in Canada, to send out our regular trade papers, our information papers so that the people who buy from us will have the information that they should have, and for which, if we do not give it to them, they will ask.

Gentlemen, Canada is the most important country in the world today from the point of view of development. The whole world has its eye upon Canada. I feel, at this moment, if we close the door to development, we are doing a very considerable disservice to Canada.

The CHAIRMAN: Thank you very much, Mr. Brais. It may be that Mr. Dunlop may want to enlarge on some of the statistical information again, Mr. Brais?

By Mr. Adamson:

Q. Mr. Brais, before you go—

(At this point the discussion took place off the record.)

By Mr. Boucher:

Q. Might I ask you one question, Mr. Brais? As a lawyer, could you give us any information as to the necessity of amending our Canadian Criminal Code in order to make an offence within Canada so as to bring the operation of this treaty, if ratified, under the jurisdiction or control of the federal government rather than the provincial governments?—A. The terms of our Code have a wide territorial coverage. For example, a charge of conspiracy will lie

against a man who does part of a transaction here, and another man who does part in the States. They can be charged together as conspirators. There is a case on the importation of weapons into part of the British Empire. Weapons were bought in South America and sent to a man in a part of the British Empire who did not even know the name of his co-conspirators. When those men were all brought to trial, they were all convicted. That case is the standard authority on extra-territorial assistance in conspiracy.

Mr. HACKETT: It was a case about the running of arms.

By Mr. Boucher:

Q. What I was thinking about was the possible lack of jurisdiction of the federal government to make crimes. Would this treaty, when ratified, have to be ratified by the federal government without ratification by the various provinces?—A. If it were necessary the federal government could further tighten the Criminal Code in order to reach individuals who are conducting business fraudulently. But that is not necessary. Anything that is dishonest is fraudulent under the Criminal Code. We still have the old common law, notwithstanding the Code; so that anything which is dishonest in United States would still be dishonest in Canada. We can broaden the Extradition Treaty to the greatest breadth of our common law and let the United States have the advantage of that. But a man would still have to do something illegal and wrong in Canada before he would be guilty of doing such a thing in the United States.

Q. But could the federal government ratify this treaty as it stands now without the provincial governments' co-operation?—A. No, no. My opinion is definite, although I have not raised that matter here because it is a legal matter and is in the hands of the federal government. I do not want to suggest advice to the government on the constitutionality of its document. Now that I have been asked, however, I must say that it is in my opinion very definitely unconstitutional because the British North America Act gives to the federal authorities the right to legislate in criminal matters and to make treaties, but only within the confines of its powers. The federal government cannot take a citizen and order his deportation unless it be for something which comes within its orbit. Therefore it must be criminal. They cannot make a man a fugitive from justice for something that is not criminal in Canada because to do so would be depriving that man of his civil rights which are exclusively within the purview of the province. I have not the slightest doubt that that treaty will be blocked by the first extradition commission and that is why I emphasize the suggestion made somewhere that before it is ratified a reference be made to the Supreme Court by the government. I suggest that that would be a necessary step before this came on our Statute Books both in the interest of the United States as well as of Canada.

And then, of course, what is to be done with the accused's assets would be entirely unconstitutional unless the man comes within the federal jurisdiction. To do that he must come within the four corners of the Criminal Code of Canada.

Q. Then you do agree with me that a great deal of this treaty is not presently under Dominion Government jurisdiction and could not be constitutional without ratification and without change in the constitution?—A. Yes. When the protocol says that it need not be a crime in the country requested, those words would give rise to a demurrer or inscription in law. That in my view proves that treaty would not be upheld.

Mr. DUNLOP: Mr. Brais, at the end of last week, asked me to get figures on the proportion of American business done by our brokers. On the pre-war side we would have to ask all our brokers to go into their books and give us that information individually. Since the war restrictions we have filed monthly

with the Bureau of Statistics the amount of business done by all member firms of the Montreal Stock Exchange and the Montreal Curb Market in purchase and sales of securities. In the year 1944 that amounted to \$76,676,500 which was 29 per cent of the buy and sell total volume on the two exchanges. In the year 1945 to September 30th that amounted to \$92,186,600 which amounted to 27 per cent of the buy and sell totals on the exchanges. Taking an average of the two years of say 28 per cent and taking the buy and sell volume in the year 1937 that would amount to United States business \$362,800,000; 1938, \$152,580,000; 1939, \$126,361,000. We have taken these percentages in wartime years where there are restrictions on dealing with the United States so consequently I think we should say that those percentages would be minimums.

The WITNESS: Just in broad figures what is the amount we got from the United States through the sale of business stocks and bonds in Montreal? You have that figure. You gave it to me the other day. If you have not got it before you I will get that exact figure.

Mr. BEAUDRY: May I ask Mr. Dunlop if these figures cover Canadian industrial stocks only or do they include American stocks?

Mr. DUNLOP: They include American stocks.

Mr. BEAUDRY: Would it be possible to get the percentage of American stocks in those figures?

Mr. DUNLOP: Yes. In 1944 it was 56 per cent American stocks and in 1945 it was 50 per cent.

The CHAIRMAN: Thank you, Mr. Dunlop.

Mr. HACKETT: They are all stocks?

Mr. DUNLOP: Stocks and bonds.

Mr. HACKETT: Securities?

Mr. DUNLOP: Yes.

The CHAIRMAN: The member from Pontiac, Mr. McDonald, has a few words that he would like to say to the committee. I know he is greatly interested because he represents a strong mining riding.

Mr. McDONALD (*Pontiac*): Mr. Chairman and gentlemen: As you know I represent the county of Pontiac in which is located the mining district of the province of Quebec which has seen such great development in the last few years. We hope and expect there is going to be greater development in the near future. You will see from these telegrams which I will read to you that this treaty is looked upon with a great deal of suspicion in that district. They are opposed to ratification in its present form. I have here a wire from the president of the chamber of commerce of the town of Val D'Or. In that district are located Sigma Mines, Lamaque Mines, Golden Manitou, Sullivan and Siscoe.

Western Quebec mining district strongly objects to any extradition treaty which would enable authorities of securities and exchange commission officials of United States to apply for extradition of Canadians who have not complied with rules and regulations of any of these commissions and try them in United States courts stop Canada has courts to try Canadians who commit breaches of Canadian laws

That wire is signed by Lucien Tourigny, Vice-President of the Chamber of Commerce.

Mr. FRASER: How many workers would be affected in those mines?

Mr. McDONALD (*Pontiac*): Throughout the whole district?

Mr. FRASER: In that district you have just mentioned.

Mr. McDONALD (*Pontiac*): A matter of 4,000 or 5,000 in that particular district.

Mr. HACKETT: Do you not think it would be more than that?

Mr. McDONALD (*Pontiac*): I am speaking of that particular district. There would be more under ordinary conditions. There is a great lack of manpower in that district today.

Mr. HACKETT: Normally it would be more than that, would it not?

Mr. McDONALD (*Pontiac*): I am speaking of that particular district. I am not taking in the Noranda Rouyn district or Belleterre. I have a further telegram from the Malartic district.

Extradition treaty between USA and Canada may have unfavourable bearing on Canadian mining and Canada's sovereignty please investigate thoroughly our opinion if Americans are to reap in Canadian mining they must begin with risk capital on prospect.

Mr. FRASER: That is a different district.

Mr. McDONALD (*Pontiac*): That is the Malartic district.

Mr. FRASER: How many workers would you have in that district?

Mr. McDONALD (*Pontiac*): In the Malartic gold field you have East Malartic mine, Canadian Malartic, West Malartic, Sladen Malartic, O'Brien. In those mines there would be 2,500 or 3,000 men employed today.

My next telegram is from the Rouyn Noranda district in which Noranda mine is located.

The undersigned citizens of the mining community of Rouyn Noranda firmly oppose any change in extradition treaty enabling authorities of securities and exchange commission or officials of forty seven states of the union to apply for extradition of Canadians who have not complied with the rules and regulations of any of these commissions and try them in United States courts as we believe in upholding the sovereignty of Canada.

That wire is signed by John W. McKenzie. He is the manager of Francoeur mine. It is also signed by Allan W. Jeckell, L. D. Pilon, J. R. Linklater, J. G. W. Lee, M. J. Cavers, W. J. Hosking, who is president and manager of the McWatters mine and of the Rouyn Merger mine; A. F. Banfield, Geo. I. MacLeod, Vernon A. Oille, Howard M. Butterfield, W. E. Foster, H. J. Jewell, Julius M. Cohen, one of our important mining engineers in the north, M. B. Rochester, A. M. Hogg, H. L. Roscoe, manager of the Noranda mine, Jas. A. Carter, T. H. Smith, L. E. Closs, W. A. Stock, J. E. Desrosiers and L. Labelle.

Mr. FRASER: How many workmen would be affected in that district?

Mr. McDONALD (*Pontiac*): Noranda employs on an average of 1,800 men, and the other producing mines in that district, including Waite Amulet, Waite Montgomery, Beattie, Senator Rouyn, Stadacona, McWatters, Francoeur, and the other prospects probably employ 3,000 more. In the neighbourhood of 4,000 or 5,000 men are employed in that district.

Mr. FRASER: You would not think there would be more than that?

Mr. McDONALD (*Pontiac*): Not at the present time.

Mr. FRASER: But in normal times?

Mr. McDONALD (*Pontiac*): In normal times you could add at least 25 per cent to that number because there is at least a shortage of 25 per cent all throughout that district. Then there is the Belleterre mine which is down in the lower Temiskaming district. There are 300 men employed down there. That represents the opinion of the mining men of the northern part of Quebec. That district is looking forward with great optimism to the development of that country which has seen immense development in the last few years. They look on this situation very seriously and think it would be a serious obstacle to the

development of that northern country if that treaty is ratified in its present condition. I do not want to take up any more of your time. I have had the pleasure of listening to some of the arguments advanced by the various lawyers who have appeared and other gentlemen. It is not necessary for me to repeat. I ask your serious consideration of these requests on behalf of the mining district of northwestern Quebec.

The CHAIRMAN: Thank you. I will now call on Mr. Slaght.

A. G. SLAGHT, *recalled*.

The WITNESS: Mr. Chairman, I desire to make a correction in the submissions that I filed with you last week, comprising two pages. There was a distribution amongst you, and you may have a copy of the submission in your files. I want to make a correction in article 5 which deals with clause 1 of the protocol. My suggestion is that clause 1 of the protocol be amended by deleting the words, "dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country." The reason I give that to you—and I think this will commend itself to all of you—is that as presently worded the protection which it was intended to give is confined in its protective character merely to those dealing in securities in the ordinary course of business, and it would not protect an official of a mining company. It would not protect Mr. Ilsley or the members of the committee marketing our victory bonds because they do not do that in the ordinary course of business. They are not dealers or brokers. If you will strike out in your copy the balance of the words in article 5 where I went on to say that as amended the treaty would read so-and-so that will be helpful. If you leave that in it will raise confusion because it impliedly adopts clause (b) of the protocol which, of course, in another submission contained on the same sheet I have ventured to ask you to eliminate entirely.

The CHAIRMAN: Will you read it so as to be sure we have it correctly?

Mr. SLAGHT: Just leave in that part of item 5 down to where I have quoted the words that I suggest should be deleted and strike out the remaining four or five sentences where I improperly endeavour to quote how it would then read as amended because that would make for confusion.

The CHAIRMAN: Will you kindly read it so that we will be perfectly sure of it?

The WITNESS:

That clause 1 of the protocol be amended by deleting the words: *'dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country'*

and then strike out the rest of the language under my item 5.

By Mr. Leger:

Q. You mean strike out "no person shall be subject to extradition", and so on in clause 5?—A. That is right, strike it out. May I crave one word with regard to these submissions which I ventured to file lest there be a misunderstanding with regard to what we are proposing. My clients feel, as Mr. Brais expressed, and as the letter filed with you from the province of Ontario in 1942 expressed, that to approve the treaty would be approving something that is unconstitutional and beyond the powers of parliament to pass or approve. That is our first position, but I included some draft amendments as a compromise if it is still desired by the committee when you discuss it to make it possible for the United States to come to Canada and extradite one of their own citizens, take him back and try him there for an offence he committed in the United States, to come and take him back notwithstanding that what he did over there would

not have been an offence had he done it in Canada. This amendment will still permit him to go back but will prevent a Canadian citizen being extradited and taken over there for an offence which is not an offence under our own law.

So that you will understand this our compromise is an alternative suggestion only and we do not desire to abandon our position that there should be a refusal to confirm the treaty because the treaty is unconstitutional.

By Mr. Hackett:

Q. Mr. Slaght, could one summarize your statement in this way? Take your stand on the constitutional issue. You have submitted it is beyond the competency of parliament. Then on the second issue you say that personally you believe in the doctrine of double criminality.—A. Yes.

Q. But if it is necessary to compromise in so far as your clients are concerned they are willing that an American citizen who has committed a crime in the United States and escaped to Canada be returned to the United States even though what he has done in the United States is not a crime in Canada? —A. Yes, that is correct.

By Mr. Boucher:

Q. Do you not go further and say that an American citizen who has broken the law of the United States while in Canada might still be extradited? Did I understand you to go that far?—A. I do not think the amendments go that far. I think they deal with it just as Mr. Hackett puts it, that if a man in the United States has offended against the law of the State of Michigan, for instance, using my pet example, and over in Detroit he has sold a client \$1,000 worth of stock but did not take his application on a form approved by the Michigan state Commission if they still want to come over here and extradite the man for that offence and take him back even though it is not an offence in Canada to do that these amendments would permit them to take him but they say "No" if a United States official comes over here to take a Canadian over there for having committed an offence against the law of Michigan. We say "No". These amendments would prevent a Canadian being extradited for such matters as that.

Mr. LEGER: Mr. Chairman, I should like to ask a further question of Mr. Slaght. In clause No. 5 which are the words that you wish us to delete?

The WITNESS: The word *"dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country."*

The CHAIRMAN: We will now call upon Mrs. MacWilliam, president of the Prospectors and Developers Association of Canada

Mrs. VIOLA MACMILLAN, president of the Prospectors and Developers Association of Canada, *called.*

The WITNESS: Mr Chairman and gentlemen, so much has been said against the treaty and protocol that there is very little left for me to say, and I do not know that I should be saying anything but I believe there is one point that has been missed, so far as I have been able to hear; and that is the point of the prospector. We have heard from the very able solicitors on behalf of the stock exchanges, and so on and so forth; but I happen to be president of the Prospectors and Developers Association of Canada. I know, about 90 per cent of the prospectors throughout Canada, and I know some of their troubles and their problems which have faced them for a number of years in getting early stage money, which is speculative money, behind them to find a mine. If this treaty and protocol goes through in the form in which it now is I think it will set Canada back at least 25 years. I know that Mr. MacMillan and

myself, and Mr. Cockshutt here, on behalf of the association, have had a great deal to do in connection with stimulating interest in prospecting throughout Canada.

During the history of mining in Canada we have had about 150 mines. We had gone along to the point where prospecting was becoming stagnant. In 1938 or 1939, we got down to where there were only about 200 prospectors in the bush across Canada prospecting. We drove for miles and miles along the geologically favourable areas for mines and could not find a prospector in the bush. Why? Because he could not get enough finances, he could not get money enough even to get 10 miles away from his shack. The big mining companies have a lot of money in their treasuries, but they are not in a position, they claim, to give up thousands of dollars for prospecting; but not only that, when they hire a prospector to work for them on a salary basis they find that the prospectors do not work so hard as they do when they have incentive, the pot of gold at the end of the rainbow.

After all, we must remember, gentlemen, that the prospector's life is not an easy one. It is a very hard life. Most of them have deprived themselves of wives and families and the pleasures of city life, and so on and so forth; and they live in the bush. Today the lot of the prospector is much better. Why? Because the Prospectors' Association is organized. They started to speak for themselves. They did not go to the government for a grub stake so they could go to work. I think in British Columbia they did get a little grub stake, but you really cannot expect a prospector to do very much on a grant of \$300 a year, that is not very much for him to live on. However, it might help to buy a few cans of beans for some of them. But in Ontario and Quebec they went out and talked to people into backing them. We made a survey. We came down to see Mr. Ilsley and Dr. Clarke and they gave us a reduction for moneys going into prospecting. It is difficult to get syndicates financed. But we did get this tax reduction. We also got a program across Canada to bring out the geological possibilities, of where to go. The Dominion government and the provincial governments co-operated on that. We got our information brought up to date on the various fields. We got parties out on the program for at least three months of each year. This was in 1941 and 1942. And today, what is happening? Many of our members got financed and the result of that has been, that we not only have from two, three, or five thousand—they have up to \$300,000 in many treasuries. What have been the results? We are going to build 60 new mines. We are going to have 60 new mines in Canada right now. Another thing, many treasuries have money today. The public has money which they made through the work they did during the war. A lot of that money is looking for some place to work, and the place for it to start work is with the prospector. We must not lose sight of this point. The Northwest Territories is a new frontier for development in the whole of Canada.

We need American money. The people of eastern Canada are not going to the Northwest Territories to the same extent as the Americans are. We should do nothing to stop the flow of new capital there from the American people, if they want to put it here.

And now, if it is fraud, if I have done something wrong in taking money from you or from Americans fraudulently; punish me, put me in jail; but don't bring in a treaty making it an offence for me to transgress the rules or regulations of some state commission in the United States.

Back some few years ago, I think it was around 1935 or 1936, we had a property for which we tried to get money for development in Canada. We just could not. Finally, we got a letter from an American firm in New York asking us if we wanted money for the development of our property. Well, did we want money? Does a duck swim? Certainly we wanted money for this property. There was \$19,000 of debts owing the former people who had the

property before we got interested in it. We went to New York city, scraped up enough money to get us there. We stayed at the cheapest hotel we could find. But after a lot of running around we finally found from the people that it was impossible to qualify our deal. We came back with volumes of forms to fill in, and then they wanted to send an American geologist up, and unless he approved of it, we could not get the deal passed. After scraping up \$1,800 and paying solicitors, besides our own solicitor here, we gave up, because of qualifying the deal. We struggled along then with that particular property over the years. Right at this very moment we are bringing in an ore body by diamond drilling. We finally came back and got the money to finance it.

What I am trying to say before this standing committee on External Affairs here is *not to do anything that would take away money from our prospectors*, because we only have 1,600 prospectors now. We are trying to encourage new boys coming out of the service to go into prospecting. We are putting on a special course to train prospectors. We are trying to do the best we can for them. We want them to be able to get financed and go out. We want them to be financed by themselves in their own syndicates. We have too big a mining industry in Canada, and Canada is too big a country to bring in any such treaty as is being proposed here. Those are my words in respect to this treaty.

Thank you.

The CHAIRMAN: Thank you, Mrs. MacMillan. You have presented your case very clearly and very ably, the prospectors will be very much indebted to you. I know something about your work because I happen to come from a mining section myself.

I will now call upon Mr. Sidney Norman, financial editor of the *Globe and Mail*, Toronto, Ontario.

Mr. SIDNEY NORMAN, financial editor of the *Globe and Mail*, Toronto, Ontario, *called*.

The WITNESS: Mr. Chairman, and members of the standing committee on External Affairs, I think I can rightly call upon you for your sympathetic indulgence in that I, a mere writer, am called upon to follow four eminent, learned and eloquent members of the Canadian bar. I do, however, intend to stick close to my notes for the record, but before I do so I should like to register an objection to part of the amendment that my friend, Mr. Slaght, has offered to you this morning. May I have a copy of it for a moment? As I understood part of his explanation, it would mean that the American citizen who came over here in good faith and became a resident, say of Toronto, as I am, (and I might add that I am an American citizen), the man who comes over to Toronto in good faith, as I said, and starts in business would still be liable to extradition to the United States if he committed an infraction, not of the law of the United States, but of the rules and regulations of these security and exchange commissions of the United States, or of 46 of the 48 states of the American union. I think that would be very unfair to the many Americans who have come over here and have done so much to put your mining industry in the state of prosperity which it occupies today.

Mr. LEGER: May I be permitted to ask you a question?

The WITNESS: Certainly.

Mr. LEGER: Are you still an American?

The WITNESS: I am an American citizen, resident in Toronto.

Mr. JAENICKE: Then the amendment Mr. Slaght has read, as far as you are concerned, it says a person domiciled in Canada—that does not mean a Canadian national.

The WITNESS: Is that the idea, Mr. Slaght?

Mr. SLAGHT: Yes. There was some discussion about that. It was redrafted and put in the present form and reads, "shall not apply to a person domiciled in the demanding country"; and I think Mr. Norman would need to establish domicile here, which is different from nationality.

Mr. BOUCHER: And different from "resident".

Mr. SLAGHT: And different from "resident".

Mr. HACKETT: A man might be a resident in Canada for 40 years and not be domiciled.

Mr. JAENICKE: It might be changed to "resident" instead of "person".

The WITNESS: I am a resident of Toronto. I have the proper papers in my possession.

Mr. BOUCHER: I think changing that to "domicile" would bring this gentleman under it.

Mr. JAENICKE: He has an established business here. I think a court would say he is domiciled here.

Mr. SLAGHT: I have no objection to your changing it to read, "resident".

The WITNESS: I think that would be better.

Mr. SLAGHT: That would cover such cases as Mr. Norman has in mind.

The CHAIRMAN: What article is that, what is the number of it?

Mr. HACKETT: That is article 4 in Mr. Slaght's memorandum.

Mr. SLAGHT: It starts with 3. 3 is the first one—"shall not apply to a person resident"—

The WITNESS: "Resident", that is fine.

Mr. SLAGHT: Then, you would have the same change made in article 4?

The WITNESS: A change in number 4; yes—person *domiciled*—that would be changed to read, "*resident*"?

Mr. SLAGHT: That would be correct.

The WITNESS: Thank you, Mr. Slaght. I did not want to remain in danger in Toronto, because I have been fighting the S.E.C. and security commissions for 35 years, and they might like to pick on me.

But now, gentlemen, from now on I am going to stick to my notes for the record, and I hope to avoid legalistic pitfalls. I am going to confine my remarks to the unparalleled opportunities offered to this dominion through the development of its vast empire of mineral possibilities, and to some explanation of the origin of the security commission and the Security Exchange Commission in the United States. I shall also try to convey to you some idea of the devastation brought upon free enterprise and development of natural resources in that country by that super-bureaucracy of destruction.

First, perhaps I might strengthen what I have to say to you by telling you I speak as an American citizen, and I appear before you as an American. I am not a broker, and I am not a promoter; merely a friend of the mining industry, and particularly of Canada which I love and in which I perhaps have more friends than in any other part of the world. Without wishing to appear self-important I might add that my experience covers over 55 years of close association with the industry on both sides of the international line. I was a pioneer in the historic stampede and development of the Slovan district in 1892 and 1893, and subsequently a prospector and miner in the rich silver camp, in the gold-copper camp of Rossland, in the copper district of Boundary, B.C., where the Granby copper and other great producing companies were born. As a matter of fact, I may remind you, gentlemen, that in these areas back in 1892 and 1893 was born the present mining movement in Canada, the greatest

and most wide flung movement of the kind in the history of the American continent. I can say to you this, and I have visited every camp in the United States of consequence, that you can take Cripple Creek Gold field, the mother lode, republic of Washington, and every other gold camp I know and drop them into that area which lies between Porcupine and the Quebec district to the east and lose them.

The CHAIRMAN: Hear, hear.

The WITNESS: That is the magnitude of the work that confronts Canadians in the mining areas which it possesses.

Following that, gentlemen, came as you remember, Yukon and Nome; Cobalt in 1903; Porcupine in 1909; Kirkland Lake in 1912; Noranda in 1927; and now the most extensive campaign in Canadian history in the province of Quebec. All under the reasonable exercise of the right of free enterprise under Canadian law.

Thirty-five years ago, I turned to journalism as an exponent of the mining and oil industries and have since then confined my efforts to that work. I have been mining editor of the Los Angeles Times. I published by own paper in Spokane, Washington, for ten years.

I have since been mining editor of the Vancouver *Sun* for four years, and of the *Globe and Mail*, more recently, for a similar period. I am not now the mining editor of the *Globe and Mail*, but I am staff writer on mining in all its subjects. That experience has taken me to every camp of importance in the thirteen western mining states, as far south as Mazatlan, in Mexico, and as far north as Alaska. In Canada I have visited most of your great mines as far north as Hudson Bay. Flin Flou mine in Manitoba, the great new Highgrade gold district of Yellowknife, Norman Wells, the world's farthest north oil fields, the Canol project, and the Alaskan highway, as well as every oil district in Alberta and nearly every important mine and district in Ontario, Quebec, and British Columbia. I feel I am in a position to realize to the fullest extent the vast possibilities of this Dominion and the necessity for continued and ever increasing encouragement to the prospector and to risk capital.

Canada possesses in her northern mining area the greatest expanse of likely territory in the world, with the possible exception of areas in South Africa, and those of Russia of which we know little of an authentic nature. Canadian territory claims two-thirds of the pre-Cambrian shield, host rocks to the great mines already found and reasonably believed to contain many more of every kind—precious metals, base metals and strategic metals and minerals.

To develop this vast northern empire, risk capital must be found for search and development over a bleak area, not counted by townships or counties, but in tens of thousands of square miles, stretching from Hudson Bay to the great north-flowing Mackenzie river.

Capital for this work must be forthcoming and to say that Canada is now in a position to furnish the vast amount of capital necessary is, in my humble opinion, not based on knowledge of the facts or extent of the need. Remember, gentlemen, please, that this great northern storehouse of yours can never be opened or peopled unless the prospector and risk capital show the way. The land will not, by its surface contribution, support life.

Successful mining corporations seldom, if ever, find mines or develop them. They sit back and buy them when most of the element of risk has been removed. That is and will remain the sphere of risk capital. When mines are found in this vast area to the north, they will repeat history by laying the foundations for other new enterprises and new, happy and prosperous communities. Otherwise it will remain as it has been for centuries, the vast silence of the north. Now, let us turn for a moment to this proposed treaty and more particularly to the protocol.

There seems to be some disposition around here to maintain secrecy concerning the instigator of this request upon a friendly country for the power to extradite its citizens for infraction of foreign bureaucratic rules and regulations—not laws, mind you—although those citizens conduct business strictly in conformity with their own laws. I am not afraid to step in where diplomatic discretion fears to tread and to say to you that this protocol has been drafted and requested by the Security Exchange Commission, the most execrated and distinctive super-bureaucracy ever created to stifle free enterprise. The S.E.C. has materially helped to bring the most richly endowed nation in all history perilously near a condition of “have not”, so far as metals and minerals are concerned. This has been admitted by the United States secretary of the Interior, Mr. Ickes, in an article which is now part of this record. I am not afraid to add that the demand for such an indefensible request for extra-territorial extension of the bureaucratic power of destruction does not come from the American people, who, by a vast majority, execrate the principles and effect of such legislation, which has stifled the spirit that made the nation great.

This request comes from the same source as the recent vicious, organized publicity attack upon Canadian mines, industry, and men that flooded the papers of the United States, including those of New York, Philadelphia, Chicago, Boston, Detroit, Cleveland, and even one in Toronto, a few months ago.

You may have noticed that this virulent attack was suddenly discontinued. Is it not within the realm of credibility that it was stopped because of the rising indignation of the Canadian people and the fear that it would prejudice the possibility of acceptance by you gentlemen and parliament of this very protocol, which I unhesitatingly characterize as the most insolent and impertinent request ever made by one friendly nation of another.

I recollect that during discussion of this subject on Friday, one of the members of this committee advanced the suggestion that since forty-six of the forty-eight states have enacted securities laws, topped by the federal S.E.C. and its man-made rules and regulations, that such legislation must be the expressed will of the American nation.

I suggest to this member, who I am sorry to say is not here this morning, that, as a political figure of prominence of an opposition party, he must be aware, and he must know that legislation—good and bad—must be steered to enactment by interested parties, also good or bad—and I further suggest that, judging by the honourable gentleman's public remarks, he agrees with me that much legislation, here and elsewhere, is obviously bad and was therefore steered by bad influences. These forty-six state laws and the super monstrosity, the S.E.C., are in my humble opinion, glaring examples of the class of legislation concerning which he and I appear to be in close agreement.

Perhaps you gentlemen will bear with me while I offer my explanation of the manner in which this class of legislation was born and what interests fathered and nurtured it. My recollection goes back to 1910, when the New York Stock Exchange was riding roughshod over decency in finance, and to 1911 when, through his influence, a dear old friend of mine, a prospector, William Salter, became governor of the state of New York by the largest majority ever given in a state election. When he arrived at the state capital, Albany, he had the audacity to introduce eleven government bills aimed at the correction of abuses which had been found to exist in the operation of the New York Stock Exchange. He was impeached, tried and thrown out. Afterwards he went to Congress and was returned again by his district with the largest majority ever given to a man in that district.

About the same time Congress set up the Pujo committee of inquiry, of which the recent Chief Justice of the United States Supreme Court, Mr. Justice

Hughes, was chairman. That committee brought in a most scathing report of condemnation and warned the stock exchange that unless it immediately cleansed itself from within, it would be purified from without and brought back to a state of financial decency. That report is in existence and it can be found if any of you members wish to support what I tell you. The reputation and influence of the exchange was thus brought to a very low ebb and its cleverest brains were enlisted in an effort to regain public confidence and esteem.

About the same time, Kansas had adopted the first state "blue sky" law. That was the beginning of the "blue sky" craze in the United States, I think, in the year 1910. At the same time, the New York Open Curb market on Broad street—many of you will remember it, because it was the most fantastic exchange in world history, where finance was tried upon the cat and dog—was riding high and wide on the crest of wild public demand for the gold stock of Cripple Creek, Tonopah, Goldfield and many others such as Cobalt, on both sides of the international line.

The wise men in the Exchange took the position that money spent on Broad street must be turned into the gambling tables of the big board. So a publicity campaign was started to teach speculators that nothing but "listed" stocks should be touched. Plans were laid for extension of "blue sky" legislation to other states, in order to turn the money being put into mines into the big board's coffers on Wall street. Later, the open Curb Market was forced indoors and has since remained in a morgue on appropriate Church street, far removed from the sacred precincts of the big board.

In order to carry out the campaign of forcing "blue sky" laws upon the other states, the aid of the Better Business Bureau was enlisted, and it became the spearhead of the attack.

This committee should secure a copy of the Congressional Record of February, 1933. The exact date I have not in my mind, but I have the citations in my office in Toronto. The committee should read therein the proceedings at an inquiry under the chairmanship of the late Senator Brookhart of Indiana. It is there set forth that the Better Business Bureau accepted \$100,000 from the New York Stock Exchange presumably to carry on the campaign aimed at the mining and oil industries of the United States, just as this protocol is aimed wholly and solely at those industries in Canada.

I fought the Better Business Bureau at three sessions of the Legislature of the State of Washington, and therefore I have personal knowledge of its place in that campaign. As I said before, if this committee wishes to have the citations, I shall be very glad to forward them after my return to Toronto. Then came the great financial crash of October, 1929, and the tremendous losses sustained not only by citizens of the United States, but in proportionate amount by Canadians. The blue chips were a dime a dozen. Practically everybody was broke on both sides of the line. It was that momentous catastrophe in the days of President Hoover that set the democratic brain to work on a scheme to protect the public from future calamities of the kind, and to garner votes.

The opportunity came with the first election of President Franklin D. Roosevelt and enactment of the S.E.C. laws of 1933 and 1934. Then was the august New York Stock Exchange "blue sky" conspirator at last hoist by its own petard. The New York Stock Exchange having started a fire, found itself unable to put it out. It was at last overtaken by a secondary fire created by the federal government.

The fundamental purpose of these laws was to curb what were considered nefarious practices on the New York and other stock exchanges in the country. With the tools of destruction in its hands, however, the commission became a fanatical, crusading agency and with the same itching for extension of power

that is always inherent in a bureaucracy, it gradually extended its rules and regulations to cover every kind of financial endeavour where public money, and especially risk capital, was sought.

I do not believe that it was the intention of Congress that such should happen. Many of my friends in Washington, D.C., and even in Congress, are of the same opinion. Nevertheless, the S.E.C. left to its own devices has built up and fastened upon the people of the United States the most glaring example of rule by man, as opposed to government by law, in the whole history of English-speaking nations. Having killed mining venture in its own country, it now seeks to extend its usurped power beyond its borders and into a friendly neighbouring country.

May I add that in the twelve years of the life of this commission not one important mine has been discovered or developed by public money in the United States, in spite of the fact that there are thousands of worthy prospects lying idle, awaiting only the touch of risk capital, perhaps, to convert them into producers.

Those are the facts, and it is upon the facts that you are to judge.

I should now like to draw your attention in greater detail to some of the telegrams previously mentioned by Mr. Sedgwick. I have received another one which I wish to read. It was received by me since Friday, from the Northwest Mining Association, Spokane, Washington, which embraces membership in Montana, Idaho, Washington, Oregon and across the line, as well, into British Columbia. Mr. E. E. Johnston of the legislative committee of the association says:

The rules and regulations of the securities and exchange commission in effect in the United States have had serious effect on primary financing of new mines in this country. These rules as drafted and the interpretation placed thereon by the commission are most restrictive and oppressive in effect and Canadians should exercise extreme caution in getting connected up with that proposal. Until Congress amends the Act the commission has passed rules making it unlawful to trade between the states or sell mining or oil stock across state lines or to use the mails or instruments of interstate commerce without exhaustive and costly compliance with its rules. As a result of this condition the American public is now turning to Canada for investment opportunities and it would be a crime for your committee to consider even for a moment a proposal to become involved in the punitive police powers of the commission as it affects us. It is the opinion of our membership that nothing in the past fifty years has had a more injurious effect on free enterprise and the development of our natural resources as the so-called securities act referred to and which act was not necessary. A movement is now on foot to have it repealed in connection with mining and oil development. Is there anything more we may do or say to help your committee. (sgd)

Northwest Mining Association

E. E. Johnston,

Legislative Committee

That association covers the Cour de Laine area, which is the greatest silver-lead producing area in the United States. It also goes as far to the east as Butte, Montana, into Oregon, Idaho, and clear down to Boise. It also reaches into British Columbia and has many members across the line.

There is another matter to which I would like to draw your attention, the telegram from Mr. Charles F. Willis, President or Secretary of the Arizona

Small Mine Operators: he also publishes the *Mining Journal* at Phoenix, Arizona. I do not recall whether Mr. Sedgwick emphasized this telegram or not.

The CHAIRMAN: It has already been read. It is part of our record.

The WITNESS: It has already been read. You will be interested to know that the Colorado Mining Association represents the whole state of Colorado and is supported by the state itself through legislation passed by the Colorado legislature. It is supported by a small tax upon the gross tonnage of all the mines in the state. As I have said before and I wish to repeat, as I see it, this extradition treaty is aimed wholly and solely at your mining industry upon which you must depend for the future expansion and prosperity of your country to a greater degree than any in history. Let me add, too, that this S.E.C. has already seen fit to mix up in purely Canadian affairs. If you care to make the proper inquiries, you will learn that it has maintained a spy, or snooper, or detective, or whatever else may be his proper classification, who has had the effrontery to demand of Toronto brokers access to their books in order to scrutinize them. He comes from the United States, as I said, representing the S.E.C., and if you care to make inquiries in Toronto you will find I am telling the truth.

By Mr. Leger:

Q. Do you know his name?—A. I do but I would rather not mention personalities.

By Mr. Fraser:

Q. On what authority does he ask for that?—A. On what authority? You can search me.

Q. I just asked the question.—A. I would not know.

Q. Does he know?—A. I do not think he does. I think he is a man with considerable nerve and he thinks perhaps he might be able to find something that would help him in this publicity campaign of the S.E.C. if he could get something on some broker.

Q. If this man from the United States did find anything in any of the broker's offices, supposing that the broker allowed him to look at some of his books, nothing could be done at the present time until this was passed, anyway?

—A. No, but he could furnish the bullets for the S.E.C. to shoot in its publicity campaign. I think that is the most vicious thing that was ever attempted. I assume that was his purpose.

Q. Just looking for evidence.—A. Or to scare a man to death. That is all.

Mr. LEGER: I think it would be wise that his name should be given to the chairman so that we can see to it.

The CHAIRMAN: I do not think I will take the responsibility.

The WITNESS: It puts me in a rather delicate position. I would rather not mention personalities.

Mr. MACINNIS: I think we should have that name or the evidence should not go on the record. I do not think we should take evidence here that cannot go on the record, where names are not given.

Mr. FLEMING: I think it is pretty late in the day to start talking about rejecting evidence for lack of names because we have had all kinds of evidence of a similar nature given to us. I do not think it is a matter of great moment now because other witnesses have testified along similar lines. We are not trying the issue on that score.

Mr. MACINNIS: Surely the members of the committee will be trying the issue and if they have not got evidence which is substantiated by names and facts they will not be able to make a reasonable or correct decision.

The WITNESS: May I make a suggestion to you which will relieve me from entering into personalities? I suggest that the chairman of this committee write the S.E.C. in Philadelphia and ask it for the name of the individual who is representing them in Toronto for the last two years.

By Mr. Leger:

Q. For the last two years?—A. He has been off and on for more than that.

Mr. FRASER: He could send a wire.

The WITNESS: He could send a wire and ask for his name.

The CHAIRMAN: On the question raised by Mr. MacInnis personally I feel that any witness before the committee should give the name if it is pertinent, unless he wants it off the record when he gives his testimony, but now that we are able to get the information personally in the name of the committee I will try to get the name if Mr. Norman does not feel that he should give it.

The WITNESS: So far as I am concerned I do not want anything off the record. Anything I have said I want to go on the record. I think I can prove everything I have said to you: Now I should like to turn to a more pleasant subject, your own mineral resources and their possibilities if free enterprise and risk capital are permitted to do their work unhindered by foolish laws. Ontario, since 1911, has produced more lode gold than any state in the American union. It has been far greater than the lode gold produced in California since 1849 although the production of the latter state, including placer gold, has been greater. It has been 12,000,000 ounces greater than that of Colorado since 1858. It has been over twice as much as that of Nevada with her great Comstock lode, which you will remember saved the union in the 60's, Goldfield, Tonopah and other camps, since 1859. Ontario's gold production has been twice that of Alaska since 1880, two and a half times that of South Dakota with its great Homestake mine since 1876, three times that of Montana since 1862, five times that of Arizona since 1860, five times that of Utah since 1864, six times that of Idaho since 1863, six times that of the Philippine Islands since 1906, and ten times that of Oregon since 1852.

There are members of this committee representing constituencies in Quebec. I should like to turn to that province and the effect of the mining industry on the prosperity of the northwestern part of that province. I have just spent six weeks there and I believe I have the necessary up-to-date information. Since the smelter was blown in at Noranda on December 16th, 1927, a greater transformation has taken place over a greater stretch of previously waste land than in any part of the continent I have known, and perhaps in the world. I know that is quite a strong statement but I believe it to be absolutely true.

From the western boundary of the province over the length of twelve townships—mind you, a township is ten miles square in Quebec—120 miles east and half a dozen townships north south, great mines have been brought to production, prosperous towns built and the most extensive campaign of diamond drilling prosecuted over the past three years that I have ever heard of. I am sure it is the greatest campaign of its kind that has ever been undertaken in the world. Metal production of the province since 1927 has been over \$527,000,000 up to the end of last year. At least 15 or 20 new mines have been indicated beyond reasonable doubt by diamond drilling, and underground work has started on some of them and will be commenced on most of them within the next year, and possibly within the next six months.

Along that 120 mile stretch many prosperous towns have arisen, each wholly dependent on the mining industry. Noranda, a model town, has a population of 5,500 and was built by Noranda mines. Rouyn has a population

of 11,000. Cadillac has a population of 1,300, and has gone up from 900 in the last few months. Malartic has a population of 4,500 as compared with 3,100 last year. Val D'Or has a population now of 7,500 and is probably showing the most rapid recent growth anywhere in Canada. Bourlamaque, another model town built by Lamaque mines and Teck Hughes, has a population of 2,000. There is not a house or an apartment to be found in any one of these places I have mentioned. That is the reason that the number of workers in the mines in that area is now at a very low ebb. My recollection of the figures I presented in my paper is that the mills of the area have a capacity of 11,000 tons a day and are working at the rate of 57 per cent and that labour is down approximately 45 per cent. 2,000 men are needed in the vicinity of Val D'Or. That takes in the newly drilled area of Bourlamaque and Louvicourt townships, the Lamaque mine, Sigma mine, Golden Manitou mine, Siscoe, Sullivan and Perron mines.

That is not all that has happened in that county. Under Quebec settlement plans many a farm has been whittled from the bush or drained from the muskog in a land that without its mines could not support existence. As it is, even with short growing season, such produce as can be grown finds a ready nearby market at the mines and communities at high prices and negligible delivery costs. In the winter seasons men of the farms can find nearby employment at high wages at the mines.

Much has been written about losses in mining but little, if anything, about American winnings in the vicious publicity campaign waged by the S.E.C. In order to offset the information that was distributed through that campaign I took upon myself the duty of making a survey of the amount of money that was at the moment invested in 66 mining stocks listed on the Toronto Stock Exchange. I have finished Quebec, Ontario, Manitoba and Saskatchewan. That is as far as I have gone now, but here is the result. I obtained from each company the percentage of the holdings of Americans in their companies, some in confidence and some from public publications. I then multiplied that amount by the prevailing quotation on the stock exchange and in that way arrived at my conclusion. It shows that in these three provinces—Manitoba and Saskatchewan are included as one because the common line of the two provinces goes through Flin Flon mine—present holdings are worth a total of \$697,285,411 as determined by the then current quotations upon the Toronto Stock Exchange. The proportion of stock held by Americans had already paid dividends of \$443,696,830 and the 66 mines held ore reserves of 347,288,138 tons which at an estimated average of \$10 per ton makes no less than \$3,472,881,380 worth of ore still lying in the workings of these 66 mines to be taken out in the future. As I say the stock has already paid \$443,696,830 in dividends.

I want to emphasize once more that survey does not include British Columbia. It does not include Yellowknife. It does not include Labrador. I have forgotten whether it is in Canada or not, but it does not include anything of that kind or does it include the thousand and one semi-developed mines or prospects that American capital is interested in. So I feel that you can say with confidence that the amount of American money now invested in stocks in this country would be at least a billion dollars and probably would rise a quarter or half a billion more.

I should like you to remember that no money spent in honest mining development is ever lost. The individual may lose his little but the nation wins its much. Every dollar legitimately spent goes into labour and the many industries and merchants called upon to furnish supplies. That is a matter that we should always remember. It is only by contributions of money in

small amounts which we call risk capital that the mining industry can ever be developed to the fullest extent.

Mr. JAENICKE: You said every dollar?

The WITNESS: I said every dollar that went into the ground.

I think that is about all, Mr. Chairman. I should like to thank you, Mr. Chairman and the committee—Were you going to ask me something?

Mr. JAENICKE: Please. You were strong in your condemnation of the United States security laws, and those of the states; what is your opinion of our own provincial laws in that respect?

The WITNESS: Now, sir, I would say that: It told you I had been fighting this class of legislation for 35 years. I believe that every such law is foolish, unnecessary and destructive; especially in a new country which must depend in a greater degree than any nation in the history of the world on the development of its mining industry by the application of risk capital. I believe that the criminal code of your country covers every possible item of fraud that could be committed and which could not be cured by the security law of this province or any other.

I will ask you, sir, in answer; you have laws in this country, and in the United States, New York state—take New York state, New York City, as an example; you have laws against murder. Do they stop murder in New York City, for instance? Not at all. What these laws do is to stop driving in the streets where the murder or infraction of the laws has been made, to stop traffic in that street. That is what your security law has done. You don't do it in murder cases. You let the traffic go on, you round up the murderer and put him where he belongs. But in these cases, because dishonest men will creep into any speculative business, you stop traffic on the street; you close the street to traffic and you get nowhere in the end. If you would use your criminal law and go after the fellow who commits any dishonest act in the way of stock selling or promotion you would not need any more security law of any kind. It would not help you any more than your proper administration of the criminal code. That is my personal opinion.

Mr. FRASER: I would like to ask you a question: can you tell us how many persons are employed for each man employed in a mine; how many men are employed in industry, transportation, farming and lumbering, and so on; have you got the figures on that?

The WITNESS: I have them in my mind, sir. There have been a number of attempts to find out what it meant, and I think the general average would be 12.

The CHAIRMAN: That is what we were told before.

The WITNESS: That is the number which is accepted up in the mining country. I went through that very carefully in Timmins, and that is what we arrived at there.

Mr. FRASER: 12 to 1?

The WITNESS: Yes, 12 to 1.

By Mr. Marquis:

Q. Do you not think there should be some regulation as to the development of mines, not to the extent to which the Americans have gone with respect to infractions, but that an application should be registered, and so forth?—A. That, I believe, is the principale of the British Companies Act, and is quite sufficient. There you have to file your statement under oath; and if you, or any director of that company, or anybody representing you, commits a felony of any kind, then you are subject to the law.

Q. We ought to have some control by the government.—A. That is it, it is used everywhere in the British Empire, I believe.

By Mr. Fraser:

Q. If I remember correctly, the other day one of the members of this committee said that he did not want to see any exploitation of resources by Americans?—A. Yes, sir.

Q. Would you consider money coming from the States to develop these mines exploitation?—A. Exploration?

Q. Exploitation.—A. Exploitation?

Q. Yes?—A. No, what he said was—will you let me have your question again, did he say,—what?

Q. He said he did not want to see the resources of Canada exploited by the Americans.

Mr. FLEMING: He said, for the benefit of Americans.

The WITNESS: For the benefit of Americans; that is right.

By Mr. Fraser:

Q. Would you consider that money coming from the States into Canada—
—A. Exploitation?

Q. Yes.—A. With all due respect to the man who said it, I think he is entirely wrong, unquestionably wrong.

Q. That is why I brought it up at this time, because from what I have heard of the evidence I would take it that the money coming here has helped us.—A. No question about that, sir. Go back into the history of British Columbia, where I first started my mining experience, at Slocan, that whole Slocan company was made by Americans. So was your Trail smelter, the greatest smelter in the world; it would never have been started had it not been for American money and enterprise. It was started on Mr. F. Augustus Heinze. And the same thing is true of many of the other big mines in the Slocan district, like the War Eagle, the Northern Star, the Slocan Star, and so on. They were owned by Americans first. And it was because of them that the city of Spokane grew to metropolitanism. That was the cause of Spokane's rise to metropolitan status, the city of Spokane; and as you know, Spokane is only 120 or 130 miles from the border. That was the fact in British Columbia. Certainly it was the fact in Cobalt, Cobalt was practically all American money for a long time. The same thing is true of Flin Flon. The development of the Flin Flon mine in Manitoba was due directly to the investment of \$27,000,000 by the estate of Harry Payne Whitney, of New York, before \$1 was taken out. Yes, before \$1 was taken out, \$27,000,000 was invested in Flin Flon. I certainly think that was great advantage to the Dominion of Canada; because there you have a great smelting works, you have a great zinc electrolytic plant, you have a model town of 6,000 to 8,000 people served by a railroad, as any town in the country, and for that \$27,000,000 which was spent you have since that time had paid out about \$40,000 in dividends.

Mr. FRASER: You mean \$40,000,000?

The WITNESS: \$40,000,000, I should have said.

Mr. MARQUIS: Then, as a conclusion, it would be better not to modify the crimes but to punish the criminals?

The WITNESS: Absolutely.

Some Hon. MEMBERS: Well said.

The CHAIRMAN: Thank you, Mr. Norman.

We have one more person who would like to appear before the committee, Mr. Gordon Jones, mining executive. If I understand correctly it will take him about an hour. We have been working hard all day and I appreciate that it has been a sacrifice to members who were present to form a quorum. Will it be satisfactory if we meet this afternoon at 4 o'clock, and then we will be through?

Mr. FLEMING: There is a very important debate on in the House this afternoon.

The CHAIRMAN: I know there is, but there is only the one witness to be heard.

Mr. FLEMING: May I ask a question? Is it your intention, Mr. Chairman, to go directly into a consideration of our reference?

The CHAIRMAN: I will leave that for the steering committee. I have asked the steering committee to meet with me to-morrow at 2 o'clock.

Mr. FLEMING: Then you will not be going into that to-day?

The CHAIRMAN: Oh no.

Mr. JONES: I would like to co-operate with you in any way. I have been making notes as I went along during these meetings and there is a lot of repetition. I will try to avoid any repetition. I cannot estimate how long I may take, I might get through in half an hour, if you want to sit now.

The CHAIRMAN: That would be rather a hardship on the members. I think it would be more convenient for all concerned if you were to put it over until this afternoon at 4 o'clock.

Mr. SLAGHT: Mr. Chairman, just before you rise: I heard this morning that the Minister of Mines, and I believe the attorneys general of all the provinces which are meeting here had a meeting to deal in some manner with the problem before us. Might I ask you, or some of the members, to try to ascertain and before you close this afternoon get the result of their deliberations, which I believe are adverse to the treaty in toto.

The committee adjourned at 12.45 o'clock p.m. to meet again this day at 4 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 4.00 p.m.

The CHAIRMAN: I want to thank the members of the committee for finding it possible to leave the deliberations in the House of Commons. I know they are going to miss them but they also realize there is good work to be performed here. I will apologize to Mr. Jones. I should like to call now the Hon. R. L. Maitland, Attorney General for British Columbia. I call him first because we know he is a very busy man just now. Without any further preliminaries I will call him.

Hon. R. L. MAITLAND, Attorney General of British Columbia, *called*.

The WITNESS: I am very grateful to you for the privilege of being here to-day and going on record in reference to this proposed extradition treaty. I was very much interested in Mr. Brais' exposition of this treaty. From his experience his views are valuable. I may say I have had something to do with criminal law—that is in the capacity always of representing someone else—for the last thirty-two years. As far as I can see—and I have not had a chance to study it very deeply—this treaty is a great departure from our idea of extradition law. At the present time anyone in Canada, whether he be a Canadian or an American or belonging to any other country, knows what the extradition law is from day to day. He knows if it is a crime under our criminal code and it is included

under the treaty then in force then he is subject to extradition, but under this we have not even power to make our extraditable offences because all they have to do in any one of these forty-eight states is to pass a regulation and that regulation then becomes an offence, and you do not know from day to day what is an extraditable offence at all. In other words we let the States say what is extraditable under our law. I disagree entirely with Mr. Slaght when he said as to what he termed double offence, I think—

Mr. HACKETT: Double criminality.

The WITNESS: That an American would be subject to extradition and a Canadian would not. I cannot conceive of that existing under our flag at all. It seems to me that when you commit an offence it is either extraditable or it is not, and I do not think that the nationality of a person enters into it. I think if an American comes up here and is here for any time without acquiring domicile—I think one of you raised the question of domicile this morning—he should be in exactly the same position as any other citizen in Canada and there should not be discrimination whereby you would take the American back and you would not take the Canadian for committing the same offence.

Mr. SLAGHT: If you will permit me I may say I am not advocating that. I stand where you do on the matter of treating both alike, but I put that forward, coming here to tear down things which are proposed, as a possible compromise solution if any members of the committee thought they should go that far.

The WITNESS: I have not much more to say except this. The provinces have the administration of criminal law. The attorney general of each province is engaged in the administration of criminal law continuously. There is no like department in the dominion government because they are not prosecuting cases. They are not carrying on the administration of criminal law at all. I would say that the Department of External Affairs never have anything to do with criminal law. It seems to me that we have this situation in Canada. We have nine security commissioners. Those are the men who try to administer these various Acts which have to do with trading in stocks, mines, and that sort of thing. They accuse us in British Columbia of being very rigid, of being very unfair because they say that our Security Frauds Act is exceptionally stringent. You have those commissioners all over Canada. You have these men who are making an expert study of the effect of this kind of legislation on securities. I would suggest to this committee that it would be a far better course to follow if the dominion government would submit the treaty to the various attorneys general in Canada. They are the ones after all who have to do with the administration of criminal law in Canada. Let them make representations as to what their views are regarding this extradition Act. I would say from sitting here this morning—and I listened very carefully to the evidence—that this committee would be well advised to call in the security commissioners from the various parts of Canada.

This matter is far too important to pass off without the very valuable information that you can get. There is nothing more technical than security law. You all know that. There is nothing more technical than all these orders they can pass in these various states. Therefore, with the greatest respect, Mr. Chairman, I should like to suggest that before this bill does come up—I heard them announce to-day in the House that it is not to be at this session—that the committee call in the security commissioners from all over Canada and get their expert advice and their expert views on this matter. These men are not acting for any interests. They are not acting for any corporations. They are neither for or against various views that might be advanced regarding a thing of this kind, but they are in a position to know whether or not this

would be beneficial. I do not want to mislead the committee, but I might say that our commissioner, who has attended I think all of the conferences in Canada for the last ten years, and a great many in the United States, is very much worried over the introduction of this bill because he thinks it will hurt mining in British Columbia, and he has the feeling that it should be held up.

Therefore, my parting suggestion would be that you get the advice of the security commissioners in Canada, and I think maybe it would not be out of the way if you have the time to ask the various attorneys general of the different provinces to let their staffs look into this matter. Having regard to the general administration of justice, having regard to the extradition law which has stood for one hundred years, this is a radical change and is getting away from what were always understood to be extraditable offences, something that existed in both countries as crimes and were agreed upon as such. I think the various provinces should be consulted before this Act is brought in.

By Mr. Fraser:

Q. Before you sit down do you think we should hear the evidence of all nine?—A. I do not see why not. They all have very important functions. They have the administration of justice in their provinces. I think you owe it to the provinces to let them express their views on legislation of this kind. I want to tell you that Act is a departure from what you have had for one hundred years. It is a radical departure and one that should be very carefully considered.

The CHAIRMAN: I am positive that the committee appreciates the fact that you have found it possible to appear before us this afternoon. No doubt your proposition will certainly be considered by our committee.

The WITNESS: Thank you very much.

The CHAIRMAN: As the last witness we have Mr. Gordon Jones. Mr. Jones is a mining executive. Before we came in he was a little perturbed by the statement made by the Prime Minister this afternoon in the House that there would be no report on that treaty as far as this committee is concerned. We all realize that all that the committee could do would be to make recommendations. We have no right to make amendments. All that we can do is make certain proposals and pass certain resolutions which would be presented to parliament to decide on. Personally—and I believe I am voicing the sentiments of all members of the committee—I believe good work has been done during the last four or five meetings. The attention of the public has been focused on the activities of the committee and also on the briefs which have been presented to this committee. I believe that information has received wide publicity which has opened the way to more deliberation and more study. As far as our committee is concerned I know I am speaking for every member of the committee when I say that we are going to scrutinize very thoroughly everything that has been stated here, and also the treaty and protocol. It is going to take a long time. I believe in the recess which we will have that the time will be well taken up by the members of the committee on this matter. It may be possible before we adjourn our activities as a committee, before prorogation of the House, to have one or two more sittings to deliberate on some of the things we expect to do when we meet again in 1946.

Mr. HACKETT: Did you say that there was to be no report from this committee?

The CHAIRMAN: We may make a report but it is not the intention of the government to deal with the treaty and protocol during the present parliament.

Mr. HACKETT: That may be, and we all understand that we cannot modify the treaty, but we were asked to study the treaty that we might make a report

to the House as to the expediency of ratifying it. With great deference I would think it was our duty to make a report in the light of the information which is before us, and the House will deal with that report as it deems wise. I cannot see why we should wait until the next session to make a report on our findings.

The CHAIRMAN: Of course there will be a report. There is bound to be a third report now, but whether we will have time to deal thoroughly with what we intend to do with the briefs that have been presented to the committee and also the witnesses that have appeared before us, besides dealing with the treaty and the protocol, I do not know.

Mr. HACKETT: I should like to make this suggestion. We all have more work than we can do conveniently here. The most economical way of doing it is to do it while it is fresh in our minds. If we let this stand until next January or February it means that all we have done now is lost and we have to begin over again. I hope that you will bring this matter before the committee and let it decide whether or not it is not opportune to dispose of the matter in so far as we are concerned. That does not mean that the House and the government will not have the ultimate say but we can say that we have found and dissolve.

Mr. LEGER: I am not a lawyer, but I understand that sometimes lawyers take months in order to prepare a case. I think it would be wise for us to take the minutes of the meetings and study them. Then, when we come back next session we will be prepared to make proper recommendations. I do not think that any of us have had the minutes of these meetings yet. The only thing we have heard is what these different gentlemen have said. I think we have to study the reports. We only have three weeks or so to go before we adjourn. We will be sitting from 11 o'clock in the morning and will be very busy. I think it would be wise to let this stand.

Mr. HACKETT: That will be a matter for the committee to determine.

Mr. MARQUIS: I should like to say a word on that point. I think what Mr. Hackett intends to do is to try to find out our conclusions and put them in the record so that we will not have to start at the beginning when we come back. We are not obliged to make recommendations right now but we can come to some conclusions.

Mr. HACKETT: We can find out what is the common denominator.

Mr. ADAMSON: I think Mr. Hackett's suggestion is very valuable and should be considered very seriously.

The CHAIRMAN: I thought we might have three or four more sittings before we present our third report. Take, for instance, the suggestion of the Hon. Mr. Maitland. I do not think we could comply with that this year, but we should certainly try to have those security commissioners before our committee early next year.

Mr. HACKETT: With great respect to what Mr. Maitland says, unless we are determined that we are going to make vice out of the infractions of the rules of these commissions, what they have to say would not be very helpful to us.

Mr. BOUCHER: At the same time, Mr. Chairman, a suggestion was made here previously that we should hear representations from the Department of Justice as to their position on it, and I do feel that we should not let this present session go by without having the representations made to the committee by the Department of Justice. After having heard that, it may be possible that this committee could come to certain conclusions that would not necessitate the prolonging of the investigation. We should at least explore the possibility

of bringing in a finding this session. If for any reason we have not made up our minds to that effect, we should postpone it. I do not think we should contemplate postponing our decision any longer than is absolutely necessary, because of two things; one, the fact that this treaty has been in existence now for some considerable length of time; and, secondly, because the public is pretty well informed of the purport of this now; and we should not leave it in an unfinished state any longer than is necessary.

The CHAIRMAN: These points are all well taken. There is the constitutional aspect of it.

Mr. LEGER: Are we discussing this now, or are we going to hear Mr. Jones?

The CHAIRMAN: I believe the discussion is in order at the present time. Mr. Jones will take half an hour. I want to have the views of members of the committee because to-morrow we are going to have a meeting of the steering committee, and I believe it will be helpful to us to have an expression of sentiments by members of the committee when the steering committee meets, as it will give them some guidance insofar as future activities are concerned. If you are in agreement now I will call Mr. Gordon Jones.

Mr. GORDON JONES, mining executive, *called*.

Mr. FRASER: I might say, Mr. Chairman, that Mr. Jones expected a map would be here for him. It has not arrived yet, but according to his secretary it is on its way, I understand.

The WITNESS: Mr. Chairman and gentlemen; thank you Mr. Fraser, I can get along without the map. I feel somewhat at a loss following the many eminent speakers whom you have had before you. However, not being a public speaker, I did not prepare a speech; but during the interval between lunch and now I cut my observations down as much as possible; and I will try to avoid repetition of what has already been said.

You have had an excellent presentation of this case by everyone who has spoken.

And now, I would like to say a word about my profession. If I were in the real estate business you would probably call me a real estate agent, except that I go a little further than that: I am the go between between the man who owns the property and the man who is looking for a property; and in addition to that I employ a permanent staff and I have at my call a large number of technicians, and I can deliver to a job experts whom financiers do not know where to reach. I have interests at the present time in six of the provinces in addition to the Northwest Territories, so I feel that I am quite justified in speaking on the subject.

Mr. FRASER: Mr. Jones, when you say you are a "go between"; what you mean by that is that you help the prospector to find a customer for his property?

The WITNESS: I went into this business, Mr. Fraser, 14 years ago for the reason that I found that there were very few prospectors who had any knowledge of financing, and also very few financiers had any knowledge of mining, there was a big gap which I felt needed to be filled in.

And now, Mr. Norman gave you an excellent prospective of mining, Canadian mining, as a gentleman who is a citizen of the United States, and probably no one on the North American continent is better informed on mining than is Mr. Norman. However, his remarks are more or less generalized and I want to give you some figures. They will be more or less highlight figures. I find in my travels that very few Canadians, and likewise very few of our public men, have any very great knowledge of what the mines of Canada have accomplished up to date, or what their potentialities are. I have also found that the same applies to the American public.

Mr. FRASER: Perhaps Mr. Jones would like to stop a minute until they get his map up.

The WITNESS: I could cover my point better if I had the map.

Mr. HACKETT: Mr. Chairman, I hope Mr. Jones will not think that I am unappreciative, speaking only for myself, if I were to tell him that I am convinced that money which has been called venture money from the United States is most important to the development of our natural resources, and I think that the committee is pretty convinced of that too; and, if that be the case, we are detaining him unnecessarily if he is only attempting to bring us to that frame of mind.

The WITNESS: I think I can cover my whole subject in about 15 minutes, probably less.

Mr. ADAMSON: I think that every bit of evidence showing that should be given, for the sake of the record.

The WITNESS: One of the figures I am going to quote will I think possibly be startling to most of you. I was down in the department about two years ago, talking to some of the senior executives down here, and I said to them; can you tell me how much the mineral lands of Canada to date have been prospected? They answered by saying, we can't give you that; you probably can answer it for us, because you are a broker. Well, gentlemen, here is the answer; up to date we have mapped 7 percent of the known favourable, possible mineral lands of Canada. Then they asked me another question; can you say how much that has been prospected; and my reply was, I would say it was less than 20 per cent. So if you would take those figures and analyze them you would find that we have prospected approximately 1 per cent of our mineral land, and that starts away up here near the mouth of the Mackenzie River, from here down to here, and on down to Winnipeg, to a point just north of Winnipeg—

Mr. HACKETT: It might be better if you were to name the points to which you refer, just saying "here" does not mean much on the record.

The WITNESS: From the mouth of the Mackenzie, down the Mackenzie to Slave Lake; follow that line a little north of Winnipeg, down south of Winnipeg to the boundary in Ontario, between Ontario and the United States; and from there right across Ontario over into Quebec; and you come out on the St. Lawrence, down here; and from there, north. Any part of that line is potential mineral land.

Mr. BOUCHER: We would like to get this in the record. You said, down here on the St. Lawrence—where is "here"?

The WITNESS: I have forgotten this starting point down here—Lake St. John. If you were to start from there, from Lake St. John to North Bay, North Bay west of Sudbury, and take in everything north of that line to Winnipeg, Winnipeg to Slave Lake, and Slave Lake to the mouth of the Mackenzie, and from there north and east is all potential mineral land.

Now, if you pick a spot on the map and put 150 flies on there, you would have all the producing mines in Canada to-day. That is what they would represent.

Mr. FRASER: That is, coal mines and everything else?

The WITNESS: Every kind of mine.

Mr. FRASER: Silver mines and everything else?

The WITNESS: Every kind of a producer.

Mr. ADAMSON: That is the extent of development at the present time?

The WITNESS: That is right. At the present time it is estimated that we have under development shafts, sinkings, and so on—prospects—that will possibly make 100 new producing mines in the next five years.

Mr. ADAMSON: Have you the names?

The WITNESS: I haven't got it with me, but I can name a lot of them off-hand, if you want me to. We will start with the Quebec boundary and right east of the Quebec boundary—Ontario—is one, Arntfield. Right south of Arntfield you have Wasca Lake—Wasca Lake two years ago was a piece of swamp, right down in the marsh; you could hardly walk across it without getting your feet wet; but through the use of certain technical equipment that we have, we made a geophysical survey with the result that they got some readings there to give them indications where to drill; they drilled and it is estimated that they have probably got one of the big mines in western Quebec in the making. They are just starting now, but from the showing I believe they are planning something like a 700-ton Mill. I have taken these mines and I have broken them down into say 100 producers which will probably average 300 tons each. Each ton of ore takes one miner. So you multiply 300 by 100 and that gives you 30,000 miners; and if each miner supports 12 men, you will have a new population of 360,000 people who will receive their livelihood from the future mines of the next five years. That means a great deal to the factories, to the farmers, to the lumbermen, and it is a wonderful concession to the railroads.

Mr. JAUQUES: What sort of mines?

The WITNESS: Mostly gold, but we have one or two base metal mines that are coming on. For instance, Quemont, which adjoins Noranda. A great deal of it lies under Onico Lake; and through these magnetometer surveys that they are using these days they have established the presence of an ore body—I was told by a very well-known mining man in Toronto over the week end that it may be another Noranda. He has seen the very latest drill results, and it is amazing, that the thing has lain there for years right along side Noranda and nothing has been done about it. Then, right at Noranda and running down a couple of miles down the line, you have a couple of other promising properties; then you have adjoining O'Brien on the west, Malartic, just opened up. You can go on there for 120 miles in that section of Quebec and every few miles there are new mines. Take for instance, the Malartic mine, just south of Val d'Or, east Malartic mine in a swamp—it lies partially under water and muskeg—there is a rather unique railroad, a full track railway built in there seven miles long in order to get their supplies in over the muskeg; and that ore body also was discovered by geophysical survey and drill. That may be, and I say maybe advisedly, that may be the next biggest copper mine in Canada. And through the discoveries there they have located other properties over to the west of that which a few years ago were considered to be moose pasture, of no value, which may be potential copper and gold producers.

But now, you jump from there, north of the transcontinental line and right across the transcontinental line from the Ontario boundary east to Senneterre, and you have probably got between 200 and 300 prospects at the present time in there being developed and being drilled. Then you jump north of that and you have another belt; then you jump 100 to 150 miles north to the Chilbougami area (don't ask me to spell that one) right across almost to Lake St. John; and it is estimated by mining men that is the biggest undeveloped area possibly in Canada to-day outside of Yellowknife—some amazing discoveries.

And now, I am going to skip along as fast as I can. Here is a point I would like to bring to your attention. Ninety-five per cent of the producers at the present time were discovered prior to 1929, and only five per cent since that time. The result has been that for the last fifteen years the market has been a buyers market and the prospector had to go begging. He could not give properties

away. Many of the properties coming to-day into production were staked and worked on years ago by the prospector who lost them because he did not have the money with which to pay the taxes to keep them up. The thing requires outlets the same as any other industry.

In the 1920's we had two thousand brokers in the province of Ontario. In 1940, due to numerous circumstances, there were not more than fifty brokers who were interested in financing mines under any conditions.

By Mr. Leger:

Q. What happened to the others?—A. Well, lack of interest among other things. At the present time we have between three hundred and fifty and four hundred brokers in Ontario who are financing mines. I cannot give you the figures for the other provinces, because I have not the registration.

If a prospector has anything today with a good showing on it, he has no difficulty whatsoever in finding the right market. It has been a boon to the prospector. Ninety-five per cent of them were broke fifteen years ago and will never go back to the bush. That is a tragedy. Now we have to cultivate a new group of prospectors that are just starting in now. A great many of the boys coming out of the army are going into the mining business. Many of the chaps who worked on the Canol project have gone back up to prospect and have made some wonderful finds. One of our ex-premiers made a statement once that if it had not been for the gold mines in 1933 and 1934, Canada would probably have been broke because we would not have had the money to pay the United States and the exchange. I do not think we should do anything to prevent these new mines from coming along as fast as they can.

World trade and credits today are in such a position that no one can predict the future. What will happen if they depreciate the pound sterling? If they do that, Canada is almost certain to be in between the United States dollar and the pound sterling. That means another premium on mines which will stimulate more mining. It will be a big boon to us.

Prior to the war the United States sold us \$750,000,000 worth of goods a year and we sold them \$400,000,000 worth. We used our credit in London to off-set our credit in New York. We possibly won't have a credit in London from now on. So, what are we going to sell the United States to off-set our deficits? Let me give you the imports. From 1914 to 1931, the leading imports in dollars and cents into the United States were as follows: Coffee, sugar cane, crude rubber, raw silk, newsprint, fats and oils, tin, chemicals and drugs, fruits and nuts, and furs. Of the ten, Canada only sold them two, newsprint and furs. We had nothing else in that ten. We will never sell products to the United States from our farms and orchards because they have too much of their own that they want to sell us. So the only hope I can see whereby we can increase our exports to the United States is from our mines.

Some one mentioned during this conference about money lost in mining. I agree with Mr. Norman that such money, the money invested in mining in Canada, is never lost for the reason that it never leaves Canada. That money stays in Canada. If you haven't got it, somebody else has. There are very few businesses about which you can make that statement.

How does money lost in mining compare with money lost in business? In 1940, *Forbes Magazine* in New York stated that from 1917 to 1937, which is the most prosperous twenty years in the history of the North American continent, there were thousands and thousands of people who went into business in Canada and United States. Of those thousands, at the end of 1937 there were only seven per cent still in business, and of that seven per cent still in business only three per cent could pay their way; and only three-

quarters of one per cent ever paid their dividends. Now, how does that compare with the mining business? I would say that casualties in ordinary business are far greater.

By Mr. Boucher:

Q. Are you speaking there only of incorporated companies?—A. No. Everybody who went into business is quoted in Dun and Bradstreet. That includes everybody.

New methods of finding ore, new knowledge about geology in the last five years have progressed more, I would say—although Mr. Adamson can vouch for that better than I can—than in the previous twenty years with the result that I am sure that the prospects being worked on to-day, I mean those recommended by geologists and engineers, will include a larger average of producers than ever before has been the case in history. That condition, I think, will improve because new methods of finding ore are coming out all the time.

By Mr. Adamson:

Q. They would never have found the mines according to the old method?—A. That is right. I am satisfied that no public man could help being influenced by the press. That is found to be the case. We had some very adverse publicity in the last year in the press and it rather worried people like myself who are in the mining business, because it affected our future and investments tremendously. I was delegated, or rather I should say I was requested, by some mining men in Toronto to go down to New York and try to find out just why some of this publicity was appearing. I went to New York and there I interviewed some of the leading papers in the United States. It is amazing what they did not know about Canadian mining. I am not going into detail at this time but one of the leading papers in the United States published a long double column article with big headlines about certain conditions of mining in Canada. When I talked with the editor of that paper, I found that he did not know there was a gold mine in Canada that ever paid dividends. He did not know *Time* magazine, which publishes a Canadian section—the editor of that magazine did not know that any Canadian gold mine ever paid a dividend. Moreover, they have no conception whatever of the size of a plant. They have the idea that a gold mine would be about the size of this room, and that it would be a big gold mine. When I told them that it would take two hours to walk, without stopping, through Hollinger, they did not believe me. They invited me to come back to luncheon next day and when I told them about that, I could see they still did not believe me, as I told them that were one hundred and ten miles of underground railway in Hollinger. The result was that every newspaper man in New York whom I interviewed wanted to come up to Canada in order to find out what it was all about. So I picked out four of them and brought them back with me. We made a trip of the mining country in Ontario and in that trip I took them through the Hollinger mine. When we got to the Hollinger mine I questioned the guide whether there were one hundred and ten miles of underground railroad. The guide states: we have five hundred and twenty-five miles of railway underground. That gives you only a picture of what we have. It is something that you probably do not know. The people I took through there thought previously that a gold mine was a shack with a few slush boxes in it. That is how much they knew about it. Some of our newspapers in Canada are not much better informed.

By Mr. Fraser:

Q. Did any of those newspaper men buy any stock?—A. Some of them did, and some of their friends bought stock.

Q. If this treaty goes through, would you be liable or not?—A. I would be liable, definitely.

By Mr. Hackett:

Q. I was going to ask if those newspapers that you contacted had been carrying on a subsidized campaign on the subject of mining?—A. I am coming to that. I asked the editor of one of those big papers—pardon me if I do not quote names—if he would mind telling me where they got their source of information? He said: from the Public Relations department of the S.E.C. Here are a couple of quotations.

By Mr. Leger:

Q. I think you really should give us the names. It is very important to find out where the information comes from. Mr. Norman did not want to quote names this morning. I think any statement made without names being quoted becomes just your own information?—A. Mr. Leger, sometimes you are requested not to quote names. Now, in the case of *Time* magazine, that magazine sent up a photographer and a writer. I went over the same territory a couple of weeks later. Probably you read in *Time* magazine the very excellent article. I do not mind mentioning *Time* magazine, but I was asked not to use names. It does prove rather embarrassing. As a result of that trip we have taken approximately two thousand five hundred photographs and we have circularized them throughout the United States press and also the Canadian press. They have given us very generous space. For example, the *New York News* gave us, for three week-ends in a row, a double page spread in the centre of their rotogravure section which would have cost \$16,000 in advertising space, telling the story of Canadian mining. Among the other papers that also gave publicity free of charge were the *Philadelphia Ledger* and the *Cleveland Plain Dealer*. All those papers gave us very generous space.

I have in my office at the present time more than one thousand clippings about Canadian mining that have appeared in the United States press since we made that trip. Even the movie people went up and took a picture about Canadian mining.

By Mr. Marier:

Q. I think the facts are more important than names.—A. I would be glad to show you my scrapbook. It is as thick as that table and it is filled with stuff that has appeared in the Canadian press since the last of August.

By Mr. Boucher:

Q. It might do more harm than good to print names under such circumstances.

MR. MARQUIS: Yes, because we would have to get the people who were named to come here as witnesses.

MR. LEGER: Anyone who makes a statement should back it up, otherwise it is not worth very much in evidence, is it? You are a lawyer. You would admit that, wouldn't you?

MR. BOUCHER: I suppose so, strictly in law, we would be obliged to.

THE WITNESS: I am afraid we would be cutting off our noses to spite our faces if we mentioned any names at the present time. I am satisfied that we will

get, with the program we have outlined at the present time, more favourable comment in the United States in the next twelve months than you have ever seen in your life before, because I found them very hungry for Canadian news. They are very, very friendly, and they are hungry for Canadian news. They said, "You have hit us at the proper time. We are just getting out of the war when all the papers have had headlines about war, and we have conversion and our public are anxious to know more about Canada."

By Mr. Leger:

Q. By the way, may I ask this question? You do not have to answer if you do not want to. Are you a Canadian?—A. That is right.

Q. Thank you.—A. Born and raised in Guelph. Now I am going to ask the reporter if he will just ignore the next remarks because this is off the record. (Comments off the record).

If you like, you can continue, Mr. Reporter. I asked him if he would give me the names of one or two attorneys who were capable of registering a Canadian deal. He said, "I will not only give you their names, I will call them up and will make the appointments for you." He called them and made the appointment for me. When I got to New York I went and interviewed him. He said, "Pick out a property that you are familiar with and that you can talk about in detail. If you have any information, check in advance on it. Do not give him the names but give him a good phoney name." So I picked on Pandora in Cadillac Township because I was familiar with that. I called it Cook Gold Mines. When I interviewed this fellow I said, "Look, here is a property that has got three shafts down; it has got a head crane, got surface mining plants. We have got ore in one shaft, 750 feet of ore blocked out in one shaft. We want to sink that shaft down another 500 feet. We want to open up three more levels—we want to do this and that and the other thing—and it is going to cost \$300,000. How can we go about it? How can we get finances for that?" So he said, "How big is the property?" I told him it was a great big property, 3 miles long, more than one and three quarter miles north and south and I said it is a consolidation of three gold properties. One of the unfortunate things in Quebec, and it is also true in Ontario, is that in the early days they went in and staked,—one guy might put a stake in one corner and another guy put a stake in another, one guy rushes out here and another rushes out and puts a stake down there, with the result that you get all sorts of crooked staking and overlapping. Now that has been stopped, with the result that this property was developed. We found we had one property at this end was L-shaped, another property at this end was L-shaped, and another in the centre here had seven claims. When we started to develop the property we found that the ore bodies dipped this way and that way and there were some ore bodies going into the other fellows' parts. So we felt we should consolidate those three properties into one, which we did, and it is now known as Pandora Cadillac. He says, "In the first place you have got a big job on your hands for this reason. You would have to go back to the very beginning, to the day the guy staked that ground and get me his name and address, get me all the particulars, the price he would get for that ground, who he sold it to, what company it went into, what happened to the company, how much money they received, how it was spent and you would have to have engineers' reports together with that and all the details of consolidation." I said, "That is an impossible situation. It cannot be done. And after all, I cannot see what the history of a property has got to do with present day financing." So I said it is an impossible situation. But tell me how much will it cost if we do register? He said, "I want \$10,000. I want \$5,000 on the line and \$5,000 when it is finished." I said, "If you get \$10,000 will you guarantee

to register." He said, "No." I said, "What happens to the \$5,000?" He said, "It is gone." So I went to the other fellow, and told him the same story. He said, "I would not do it that way." He said, that we should raise \$100,000 to start off with. I said, "how much will that cost?" He said that would cost \$5,000. He said, "When you get the \$100,000, come back and ask for another \$100,000 at a later date." I said, "How much will that cost?" He said, "Each \$100,000 additional with cost \$2,000, plus \$250 fee a day if I have to go to Philadelphia to get it through, and my expenses." I give that to show you the impossibility of any property ever getting registered with S.E.C., when you have got to put \$5,000 down to start off with.

The CHAIRMAN: As chairman of the committee I doubt very much if the last part of the witness' testimony should be on the record. It is getting to the point where there is some insinuations against the Security Commission. Personally, I do not like that very much. I do not know what will be the consensus of opinion of the committee. But after all, we are a parliamentary committee, and we have to be very careful about what we report.

Mr. ADAMSON: Why not have it typed but not printed, and give it to the steering committee to decide on?

The CHAIRMAN: I think that would be the best way.

Mr. BOUCHER: I move that the portion of Mr. Gordon Jones' evidence relating to certain methods of security registration in the United States proposed by two lawyers in the course of his interview be referred to the Steering Committee for consideration.

Motion agreed to.

The WITNESS: You may ask why do they try to create animosity in the S.E.C? My only conclusion after the various interviews I had was that they have got to create confusion to justify their job or why have they got that staff there? And this public relations office that they have recently set up must have been set up for some purpose along that line for it does not serve any useful purpose.

By Mr. Hackett:

Q. That is the one that started the propaganda?—A. That is the one that started the propaganada. Why do they come over here? For the simple reason that they have not any business at all now. Mr. Norman told you there is not one single mine that has been brought into production in the United States since the S.E.C. came into existence. That is why they came over here.

By Mr. Jaques:

Q. They are opening up their own gold mining.—A. They have not opened up a new mine since the S.E.C. came into existence.

Q. Theirs is the modern kind of gold mining.—A. Oh. To confirm that we are not all one-sided on this, ex-governor Statson of Minnesota, published three articles in the *Saturday Evening Post* about a year ago concerning the S.E.C. President Truman has also expressed publicly his opinion on the activities of the S.E.C. and many senators; Senator Murray of Montana and many more. Recently, owing to the pressure brought to bear on the S.E.C. in the United States they decided to exempt registration up to \$300,000 of any adventure that wanted venture capital, but restricted it to American companies. Canadians did no qualify. I just want to make that clear.

By Mr. Hackett:

Q. You say American companies. Suppose the American company owned a claim or prospect in Ontario. What would happen?—A. I am informed you

can form a Delaware corporation or a Denver corporation—I think it is Denver; it may be Nevada; you could form one of these corporations if you went to these places without any fuss and register it there without any difficulty; but they have to be American directors, mostly American directors and some one take the responsibility of service in the States. But there is some provision saying that at the present time it is limited to \$300,000. I say this, gentlemen, that outfits like Henry Ford and General Motors, which are some of the world's greatest corporations and which are the industries which led the rest on the North American continent, could never have started, never have got to first base if the S.E.C. had been in existence when they started. I want to say this also, that if the S.E.C. had been in existence in the last half of the nineteenth century, the United States would never be where it is to-day, because they depended on England and Holland and France for their money.

By Mr. Boucher:

Q. You have given us the fact that not one mine was started, but the S.E.C. covers other companies. Have you any indication as to what extent it might be an impediment to other companies?—A. I cannot, except to give you general conclusions from brokers that I have contacted in the United States and they tell me it is an impossibility to get a company there. A friend of mine in Minneapolis told me a short while ago that he attempted to get one for two elderly gentlemen who were prosperous citizens. They had been in Minneapolis for a good many years, as clean as a whistle, no debts, had more than half a million dollars in the bank and they wanted to put it into a different company so they could liquidate their personal holdings, and they told me that it took over 200 pages of material to supply all the information they wanted. They sent accountants out from Washington and Philadelphia and went to a great deal of expense and they have still got their property.

Q. You told us there was not one mining company set up within the last 5 years. The S.E.C. covers much more than mining companies, so I thought possibly you could give us some idea as to the industrial companies.—A. I am sorry I cannot. I have never been interested in industrials so I have never taken the trouble to check up.

By Mr. Beaudry:

Q. Shall we draw the conclusion that the S.E.C. restricts company activities in the United States for the Americans just as much as they might restrict mining or any Canadian activities in the United States?—A. Just about as much. I also go further and say this, that in the United States if you had a new idea to-day, like many ideas that have come up in the past, and you wanted to finance it, you would be absolutely stymied and be forced to sell it to some of the big fellows because you have no place to go. There is nobody interested in financing new ideas to-day.

Another point, and I am just about through, gentlemen. Suppose you do register in the S.E.C. and you qualify in several states. Any state that is fussy, a little bit more fussy than the others can stop you. I want to say that New York is not fussy, New Jersey is not fussy and many others, if you ever do get registered; but Ohio and Illinois are particularly fussy. You heard the letter Mr. Salter read here the other day from the commissioner in Ohio. And if any one state questions your activities after you have registered, it stops the whole thing.

Somebody asked too, the other day why we go to America for money. There is a good answer to that. For one thing, the Americans have the money in the first place. In the second place, they are not as hard to sell as Canadians are.

You have had many references here about mines being started such as Noranda. Colonel Thompson who brought Chadburn here and started Noranda, if that was to-day, if this treaty went through, Thompson could not have taken the chance. Neither could Chadburn, in doing what they did at the time they started Noranda.

Another thing, and I think it is quite a logical answer, is this. They are larger individual buyers. I would rather be asked to raise \$100,000 in the United States than to raise \$10,000 in Canada, under similar conditions.

I mentioned the need to offset our deficit in United States exports. I covered that before. I am through but I want to give you a little illustration. After I left here last week there is a wire that I received from a man I interviewed in Minneapolis a couple of weeks ago asking me to buy him 10,000 shares of stock in selected gold mines in Canada. If that treaty would go through, I would not have filled that order, but I filled the order through my broker in Toronto after getting off there. Here is a letter from a man who had been a member of the New York Stock Exchange for thirty years. It is from Minneapolis and is dated November 17, 1945. This was not a sponsored letter. It reads:

Dear Gordon:

I am having a copy of your letter sent to Dr. Spencer and to the other stockholders here. Please understand I am not critical of you in any way but like yourself, I am a little annoyed at the delay.

I have got a deal going through at the present time. I am trying to see if I can register a deal with the S.E.C. and he is annoyed at the delay.

You recall I have been pessimistic about our S.E.C. from the very beginning. That institution is still 100 per cent New Deal and they don't want anyone to make any money, and I think before we get through, you will find they won't let you sell any great amount of stock here.

It seems to me that we have got to find some other source of buyers. I hope I'm wrong but my experience with the S.E.C. has been anything but favourable and I have never seen one deal where they allowed the promoters or underwriters to make much money. Now the other market left for us is Canada. You know that territory better than I do but I gather from your conversations during the past months that you thought the money would have to come from this country.

That is from a man who has had thirty years' experience as a member of the New York Stock Exchange.

Now, gentlemen, that is the conclusion of my remarks. I thank you very much for giving your time and attention and hope I have contributed something to your efforts. Thank you.

Mr. JAUQUES: Could I ask Mr. Jones a question?

The CHAIRMAN: Yes.

By Mr. Jaques:

Q. I take it you are interested mostly in gold mines?—A. My interest?

Q. Yes, mostly in gold mines?—A. No, I will tackle anything except iron and that is something which requires too much money. I have never attempted to develop an iron property.

Q. Do you know anything about the tar sands in northern Alberta?—A. Some, yes, but not a great deal. What I know about it is more or less what I have read about it and I have talked with some people. I have had the privilege of travelling through that country but I must confess I do not know very much about oil production.

Q. You know, of course, the amount of oil that is there?—A. That is right.

Q. One mining engineer, who is perfectly conservative, told me that on a conservative estimate there was enough oil there to last the world at the present rate of consumption for 1,500 years.

The CHAIRMAN: Hear, hear.

Mr. JAUQUES: It seems to me that there is real wealth.

Mr. BEAUDRY: Are we not getting away from the purpose of our evidence?

The CHAIRMAN: It is in a way. Mr. Jaques is highly interested in that. I was interested in the few words he had to say on gold mining, too.

Mr. JAUQUES: I do not think it is out of the way at all. Here is a man who is before this committee and is in contact with capital seeking investments in Canada. I cannot conceive of a more useful way to invest money than trying to extract oil from those sands. If that can be solved I will say we have got more wealth there than all the gold there is in the world.

Mr. BEAUDRY: That may be possible, but we are discussing the extradition treaty.

The WITNESS: I think you have got something there, but I do not think I am capable of answering your question intelligently because I am not an oil man. I have never seen it denied by anyone that you have tremendous potential wealth there. I have not the least doubt in my own mind that the problems of separating the sand and the oil can be solved. I do not think anything is impossible nowadays.

The CHAIRMAN: Are there any other questions that any of the members wish to ask Mr. Jones?

By Mr. Fraser:

Q. Mr. Jones said that in the beginning there were 150 mines in production and he thought there would be another 100 mines in the next five years, but he did not tell us anything about how many mines never came into production.—

A. I do not think there are any statistics on that for this reason, that in the past there was a lot of guesswork in mining. There is still. Anybody who gets a mine has got to consider himself somewhat lucky. I will give you an example, and I will show you what I am trying to say. I think it was 1917—Mr. Slaght probably knows better than I do—when Mr. Oakes was having difficulty with Lake Shore. A friend of mine, Charlie O'Connell, took an option on several properties in the Lake Shore which is now Kirkland Lake camp. He went over to England because at that time Consolidated Gold Company of Africa had made a lot of money from their Rand discovery. They sent their engineers out here and they spent three months up there. Probably Mr. Slaght knew them at the time they investigated. When they got done they said that the only thing they had in Kirkland Lake was a lot of cold weather and they would never make mines in that country. I only mention that to show that it is haphazard, but not so much now as it was then. Now we know more about geology. The geological department in Ottawa has done a grand job in helping the mining people by delimiting the favourable zone. There is very little excuse today for getting off the favorable zone because we know what it is. From Pamour outside of Porcupine right to the Quebec border there is only one mine that is not a producing mine. It is all good potential ground. There are millions of acres where there is the possibility of making mines that have never been looked at. So there is no excuse for going off and looking at a moose pasture. In the old days there was considerable moose pasture.

Mr. HACKETT: Has Mr. Read any further information which he could supply to the committee?

Mr. ADAMSON: Just before you go, Mr. Jones, there is one point I should like to mention as to the tar sands. It is a salient point. There may or may not be tremendous oil deposits in the Alberta tar sands. I am like you. I do not know anything about oil, but the proof of the pudding is that Canadian capital has not been available for that development. It is going to require great amounts of capital to develop the tar sands if they are to be developed, and apparently in the past years that has not been available in Canada.

The WITNESS: I understand during the war in order to bolster our oil supplies the federal government spent something like \$2,225,000 up there and only got to the point where they were ready to do some testing when they had a bad fire which burned them out. It would be awfully hard for any private individual or any brokerage outfit to raise \$2,225,000 on a prospect of that type.

Mr. ADAMSON: Exactly. If we are going to get risk capital we have got to get it from the United States for a venture of that kind if it is to be developed.

The WITNESS: It is much easier to get it down there.

The CHAIRMAN: Thank you. I see our mutual friend at the back of the hall, Walter Little. I believe he has a statement to make or some telegrams to read to the committee. He is highly interested in mining. He is my neighbour in the northern section of Ontario.

Mr. LITTLE: Mr. Chairman and gentlemen: I have lived in the north country for about 44 years. During the length of time I have been there I built the first building in Cobalt. I transported the first stuff into Kirkland Lake and the first material into Noranda, but I do not know very much about this extradition treaty. I have listened with great interest to the legal minds, and I am convinced in my own mind that if this thing goes through it will ruin our mining industry.

You talk about mining progress. If we did not have prospectors you would not have any mining progress. Talking of the old days in the district I have watched men go out, who were big strong fellows, with their grub stake on their backs and be out for six weeks and come back and you would not know them. It has been suggested that the government should take over that kind of work. In my opinion, if the government had ever taken over that work we would never have had a Kirkland Lake, Noranda, Timmins or any of the other mining centres. I made that suggestion to some friends of mine in my office one time and they said, "Oh well, the mining companies send out men to prospect. Why could the government not do the same thing?" I said to my friend, "You name me one of the old mines from Noranda to Timmins that was started by men who were sent out by any mining company." He thought and he could not do it. I was able to name him everyone of them from Noranda to Timmins. Let me say in passing that there has been a lot of criticism about the late Sir Harry Oakes. Let me tell you that in my opinion if it had not been for Harry Oakes and his stubbornness, or whatever you want to call it, we might not have had a Kirkland Lake for a long time. I have seen Harry Oakes himself single jacking. You gentlemen all know what that is. He would go down a certain distance and he would single jack and shoot that and fill it with a windlass and wind it up. He had no money to get anybody to help him. I am not going to give any names here but I have heard more than one geologist tell Harry Oakes he was only wasting his time in Kirkland Lake, that he was all wrong. That verifies what some of these people have said.

I am going to say that I hope that the government will subsidize our prospectors and give them a chance to proceed. They subsidize everything else in the world but the prospector. If it were not for our prospectors we would not have any progress or any mines in the country. This has nothing to do

with the treaty but I wanted to say a word for our prospectors while I was here. Thank you.

The CHAIRMAN: We certainly appreciate what you have said. We do not doubt what Walter Little says about prospecting. I know we all appreciate what he has stated. That is the end of the list of our witnesses, but I see two or three gentlemen who have not been presented. If they have something to present to the committee they are welcome now. This will be the last chance during the present session for any witness to appear before this committee.

Mr. JONES: Mr. Chairman, if I may interrupt I see that the Hon. Mr. Carson, Minister of Mines in British Columbia is here. Mr. Carson happens to be an old friend of mine. Maybe he would like to say a word with the permission of the chairman.

Hon. Mr. CARSON: I have not anything to say. I am interested in listening to the discussion. Our case has been presented by the attorney-general.

The CHAIRMAN: Have you any other persons in the hall who want to make a statement? I understand Mr. MacMillan stood up.

Mr. MACMILLAN: Probably Mr. Cockshutt will have something to say.

The CHAIRMAN: I believe that the committee will be agreeable to having the gentleman come forward.

Mr. MACMILLAN: I might introduce Mr. Cockshutt. He is one of our well-known prospectors in Canada. He has been a very successful prospector. He has already found one mine and assisted in the discovery of others.

ARTHUR COCKSHUTT, *called.*

The WITNESS: Mr. Chairman and gentlemen: I am not very good at talking but I have been a prospector in the north country. I started there in 1920 as a young man, and over the years have been fortunate in discovering one mine. I know something about what the prospector goes through and his method of financing. The prospector has to have backing from the public in order to make a mine. As Mr. Little has pointed out, and as I can more or less confirm, company prospectors on the whole have found very little. That seems like a big statement but it is quite true. The individual prospector is the fellow who has brought in the mines. In order to do that he has to have money and to get that money he has to have some backing. In the early stages of the game it is a comparatively small amount of money but as time goes on he has got to have a very large amount of money. Under our system of financing it has been done by the public of Canada and the United States. The larger mining companies have operated for years trying to find new mines. One of the largest companies in Canada has had scouts in the Eastern mining area for over twenty years, including the Noranda Timmins area, and they still have not found a new mine. Now, the prospector in order to get that backing has got to get the confidence of the public behind him.

Mr. LEGER: He forms a company?

The WITNESS: In answer to that, he may start out with a syndicate. I would like to stress this point; the prospector does not really find a mine; he finds what we would call a reasonably promising prospect. In order to develop that into a mine it may take anywhere from half a million to \$5,000,000 to make that into a producing mine which will pay dividends. He may start off with a very small amount of money, a few thousand dollars. From there he has to get public financing to carry his prospect. He usually gets a group behind him who will raise the money.

If you like, I can give you an illustration of our own case. We made a discovery at Little Long Lac early in 1933. My partner, Fred McLeod, and I

staked the property ourselves. We had no backing at that time, we were working on our own money. We staked the mine and performed a certain amount of work on that particular property and brought it to a stage where we did find some gold. We did not have any money with which to carry on so we formed a small syndicate. We raised some \$5,000 from some of our friends and we expended that on the property. That in turn improved the prospect, so we came to Toronto and interested a financial interest. They formed a company on the property, they did a certain amount of diamond drilling, they put out a public stock issue, the public participated. They sank a shaft, spent perhaps \$135,000, and the result was inconclusive. The market was bad and they closed the property down. I might add they brought up a very prominent engineer, one of the best in Canada, to examine the property who advised—we were on the board of directors at that time—he advised the directors that there was only one thing to do, that was to close the property down, that it had no future. The property was closed down. We had about \$10,000 left in the treasury, so at this time McLeod and I undertook to spend that remaining \$10,000 on one last effort to see if we could not find some more ore. Fortunately, that \$10,000 found an ore body, and we were therefore able with another group to get more financing. The second group finally took over the property and they raised over a million dollars to put into the property, and finally it came through as a producer and employs—we now have 180 men, but if we had normal labour conditions we could employ 400 men on the property, and it is now a producing mine and has paid some dividends.

Mr. HACKETT: What do you call it?

The WITNESS: McLeod-Cockshutt, it is still called that. McLeod-Cockshutt gold mine. It is in the Little Long Lac area, and I tell you that to illustrate the ups and downs of the mining business; here we had a property, where a lot of money was spent, and they brought up the best engineer they could find, and he said we were through. You have got to have foresight, you have got to have gambling money to carry on and spend that last few thousand dollars.

Mr. LEGER: It takes a lot of knowledge.

The WITNESS: And money.

Mr. BOUCHER: And you use about 10 per cent of your income for development.

The WITNESS: That, gentlemen, is what happens. You can spend a lot of money. There are many, many properties, some have had as high as \$2,000,000 spent on them and failed. It has to be done if you are going to find a good ore body.

Mr. HACKETT: Was that a similar case with the Kerr-Addison property?

The WITNESS: That is interesting. I could give you the story. The original discovery of the Kerr-Addison mine was made in 1901 by Dr. Redick, then head of a company called the Proprietary Gold Mine. With Dr. McKay, they put up a stamp mill and produced a very small amount of gold. At that time in Canada gold mining was looked upon more or less as wildcatting. There weren't any gold mines in Canada. In the meantime, during the years, they had different tries at it. The company was reorganized to a company called Goldfields Limited. They did not find very much. It was reorganized and called the Associated Goldfields. That would be about 1917. In 1920 it was reorganized again with the public putting up the money and was called Canadian Associated Goldfields, and it had a capital of \$30,000,000 at that time. I happened to work in the mine the second year I was in the north. They sank a shaft 300 feet deep which they called the Kerr-Addison shaft. The man in charge was a very well known engineer of that time. He came from the Dome mine. He certainly did his best to find ore on that property. He ran four cross cuts to sample the orebody but could not find any payable ore. The property

was closed down in 1921—it laid there until 1935 or 1936 and a Toronto group of financiers thought they would go back and see if they could not have another go at it, the Kerr-Addison. There were stories of high grade gold. They had all the record of the old working. You remember at that time gold was \$20 an ounce. Of course, it is now \$35 an ounce, and I think that has some bearing on why they went back to have another whack at it. They went back in 1935 or 1936, the discovery was a large knoll full of quartz stringers, an impressive thing, but looked at from a mining standpoint I would say it would not stand up—when I say it would not stand up, it was not commercial ore. So they put four adits into the side hill and put up a sampling mill with a view to what we call bulk sampling. They put this ore through this little mill to see if it would not make commercial ore at \$35 gold. The results of that were very, very disappointing. In the meantime, they had formed a new company, called Kerr-Addison Gold Mines Limited, capitalized at 5,000,000 shares, which some of the mining companies purchased, but the public were let in; and that stock was put out at a very low price, I think it was 15 cents a share.

Mr. SLAGHT: That is right, and it is worth \$15 a share now.

The WITNESS: It was 15 cents to start off; and, as I say, this particular work did not produce any results. Well, they were in a quandary. They had spent, if I remember right, \$75,000, and the money was gone. That was the original gamble, they had that figure of \$75,000; and it was a question as to whether they should throw any more good money after bad. I recall Mr. Fairly, the consulting engineer, felt before they abandoned the thing they should put a couple of diamond drill holes down; which they did, and one of these holes produced some ore. So that in turn brought them around to the point of de-watering the old shaft, which was put down as I told you in 1920, and they opened up the mine once more; exactly the same workings that the old fellows had done; and they did, as Mr. Adamson reminded me, take three more rounds out of one corner and struck some wonderfully high grade ore in that drift. From that day on, of course, the mine has never looked back; and to-day, in the last report of the directors, that mine has 25,000,000 tons of ore as an ore reserve, with an average grade of pretty close to \$10 per ton, which is \$250,000,000; and yet of the mining crowd, driving on the road between Kirkland Lake and Noranda, driving up and down past that mine for 20 years; certainly no one of them ever dreamed that that mine was a potential producer. And now it looks as though it will be one of the largest gold mines in Canada. That is what happens in trying to find gold mines in Canada; and that is why you have to have certainly a little capital; someone has to take a gamble when you make a mine. That is an outstanding exception of getting your money back. There are hundreds of these things where your money is absolutely lost and you get nothing in return. But everyone hopes to get a Kerr-Addison. And the moral of that is, never give up a mine until you take another round—(That's the way I heard it).

Mr. LEGER: What would be the average that would be successful?

The WITNESS: We have said, one in a hundred. I think it is a little bit more than that.

Mr. JAKES: Are we only interested in mines?

The CHAIRMAN: We happen to have them before us to-day.

Mr. JAKES: I happened to mention one of the greatest deposits of ore in the world, and I was told that I was out of order.

The CHAIRMAN: No, you were not out of order; somebody else had the floor. You were not out of order.

Mr. JAKES: I thought you suggested that I was out of order.

The CHAIRMAN: No, I do not think Mr. Tremblay suggested that either.

Mr. LEGER: Are you still a prospector?

The WITNESS: Yes, sir; I do not do as much as I did. One thing we do a lot of to-day is grubstaking prospectors. There is not a summer goes by that we do not grubstake prospectors, and I do a certain amount of prospecting in the field myself.

Mr. LEGER: But you are beyond the stage of prospecting.

The WITNESS: We go out once in a while.

Mr. ADAMSON: I may say that last summer I met Mr. Cockshutt in the bush.

The WITNESS: We go out once in a while.

Mr. Mutch: I was just wondering whether your prospectors were anything like what we heard about the other company prospectors?

The WITNESS: No, sir. In the last ten years they have not found any mines. We keep them working in the field in the hope that they will find a mine.

The CHAIRMAN: We are doing the same thing in my section.

Mr. HACKETT: Will it not be possible to hear from Mr. Read?

The CHAIRMAN: Yes, in a moment. I know that you will bear me out when I say that we have not lost much time, but I wanted to bring out the point that Mr. Jaques was interested in.

Mr. JAQUES: What I had in mind was that more than anything else in Canada we need oil.

The CHAIRMAN: And now, I believe it is in order for Mr. Read to answer the question raised by Mr. Hackett. I am sorry I delayed you, Mr. Hackett.

Mr. HACKETT: That is all right.

Mr. READ: I would like to mention one thing to you, and to the members of the committee; and that is that the evidence which has been produced before the committee so far has raised a number of questions on which it is desirable that I should get an instruction from my minister. I tried during the week days, but the intervention of the dominion-provincial conference has created a situation in which it is very hard to get consideration of these points. So I would personally prefer to wait until I have had time to confer with them and to get instructions. Then I should like to have an opportunity of bringing these matters to the attention of the committee, if that meets with your approval, sir.

By Mr. Boucher:

Q. You mentioned, when you were here before the committee previously, getting information as to the situation when this treaty was signed, certain information from the Department of Justice on the legality and advisability of the treaty. Have you any suggestion as to whether we could proceed at the earliest possible date to get evidence from the Department of Justice, or from the Department of Mines and Resources, on this matter? I understand that you are from the Department of External Affairs but I am not primarily interested in the constitutionality or the commercial aspects of this treaty?—A. The question of constitutionality I have already discussed with my colleagues in the Department of Justice. Their feeling is that until Mr. St. Laurent has had an opportunity of considering that position, it would be undesirable for us to make any observations before the committee.

Q. You are not suggesting that the question has already been considered from that viewpoint?—A. No, I am not suggesting that. But there have been representations made to the committee which have not yet been considered. For example, Mr. Brais made representations this morning that have not yet been considered by the minister.

Q. It seems, with all due deference to yourself, rather peculiar to me that a treaty of this kind would have been signed without the Department of Justice giving full consideration to it. I think that the Department of Justice should be in a position to give evidence on it.

Mr. HACKETT: That is just a comment on your observations, Mr. Read.

Mr. MARQUIS: Will Mr. Read be coming back after he has seen the authorities?

The CHAIRMAN: Yes; Mr. Read will come back later.

Mr. SLAGHT: I was just wondering if the committee could have, from Mr. Read, if he knows, any statement as to what consideration Congress gave to this treaty? I tried to run it to earth through the *Congressional Record*, but that is such a mass of things. Mr. Read was in Washington at the time. I cannot conceive of Congress giving up the sovereign right of their subjects not to be extradited and brought to Canada for an offence which was not an offence in the United States. I have always thought that the Americans were very jealous of their sovereign rights in that regard. Mr. Read may not know, but I wonder what real consideration Congress ever gave to it, and if it was slight only. I think our people if they knew would feel less hesitant in going back to them and sitting down with them in friendly consultation and saying, "We would like to show you some things that concern you nationally as well as that concern the parliament of Canada."

Mr. READ, *called*.

The WITNESS: I should like to introduce to the committee my colleague, Mr. Louis Audette. He will not make any representations to the committee this afternoon. I was discussing the work of the committee with the Under Secretary of State for External Affairs this afternoon and he expressed himself as being most impressed with the value to the department of the work of this committee. I think it is one of greatest assistance in the work of the department. So, with your permission, Mr. Chairman, I should like to arrange that Mr. Audette be here at the meetings of your committee in order to act as a liaison officer between this committee and the Department of External Affairs so that you would be able, easily, to get access to any information we may have in the department, or to make contact with any of the divisions of the department that might be helpful to the committee in its deliberations.

The CHAIRMAN: That is a good idea.

(At this point the discussion took place off the record.)

The CHAIRMAN: The committee would be pleased to have Mr. Audette at its deliberations.

Mr. JONES: I am sorry to interrupt at this time, but I failed to mention the province of British Columbia when I was giving my evidence. I find it most embarrassing especially with the minister of mines sitting in the room here. So I would like to ask that the province of British Columbia be included in the record.

The CHAIRMAN: Yes, thank you. Now I would beg the indulgence of the members of the committee for five or six minutes. I believe these are all the witnesses we are going to have. Now I have here some messages. I would like to read one and table several others.

CANADIAN NATIONAL TELEGRAPHS

Matheson, Ont., Nov. 24, 1945.

Joseph BRADETTE, M.P.,
Chairman External Affairs Committee,
Ottawa, Ont.

As one of the oldest prospectors and developers in Ontario on behalf of myself and many associates in the mining industry vigorously and emphatically protest against the proposed change in the extradition treaty stop no one condones fraud in share transactions but it is a matter for keenest anxiety. To Canadian mining men and developers when it is proposed to make an extraditable offence that which Canadian Laws do not constitute any offence stop Our sovereign rights should not be interfered with by bureaucrats of any country no matter how friendly may be the other relations between such countries.

BOB POTTER.

Mr. FLEMING: Are they all to the same effect?

The CHAIRMAN: Yes, they all deal with the treaty from different angles.

Mr. FLEMING: And they arrive at the same conclusion?

The CHAIRMAN: Yes, all of them.

Mr. FLEMING: Including the letter from the Hon. Mr. Mackenzie?

The CHAIRMAN: No, it was just transferring a letter to the committee.

Mr. JAKES: I would like somebody to tell us what effect this committee will have on the oil drilling situation because to my mind that is a more speculative procedure than mining?

The CHAIRMAN: I quite realize that with all the pressure of parliamentary duties you could not be here at all the meetings, Mr. Jaques, but I believe at previous sittings of this committee that matter was mentioned. You are quite right, it will have a very bad effect on promoting. That aspect was forcibly brought to the attention of the committee, that oil drilling would be badly affected.

There will be a meeting of the steering committee tomorrow afternoon at 2 o'clock but if it is agreeable it could be held in the morning, say at 11.30, in my office. Perhaps some members of the steering committee will find it strange that we hold these meetings in my office, but I have a very fine office which is near the elevator.

The steering committee will meet at 11.30 tomorrow morning. The main committee is now adjourned, but we will likely meet again on Wednesday.

The committee adjourned at 5.45 to meet again at the call of the chair.

APPENDIX "A"

List of statutes and regulations dealing with securities and security fraud prevention in the nine several provinces of Canada (Tabled by Mr. Slaght, K.C.)

(1) *British Columbia*—"Securities Act"—R.S.B.C. 1936 Chap. 254 and 1937 Chap. 69 consolidated for convenience May 16, 1938, printed 1939.

Chapter 254 is headed "An Act for the Prevention of Fraud in connection with the Sale of Securities."

There are regulations with forms in 1939.

There are further regulations respecting oil and gas interests effective March 13, 1941.

(2) *Alberta*—"Securities Act"—Chap. 243 entitled "An Act for the Prevention of Fraud in connection with the Sale of Securities."

(3) *Saskatchewan*—"Security Frauds Prevention Act" R.S.S. 1930 as amended now Chap. 287 entitled "An Act for the Prevention of Fraud in connection with the Sale of Securities."

Also regulations thereunder.

(4) *Manitoba*—"Securities Act and Regulations" issued by the Municipal and Public Utility Board September, 1937. The Act is entitled "An Act for the Prevention of Fraud in the Sale of Securities."

(5) *Ontario*—"The Securities Act 1945" 9 Geo. VI 1945 (first session) Chap. 22. By Section 84 it is to come into force on a day to be named by proclamation. We understand the proclamation has been issued bringing the Act into force on the 1st December 1945.

Regulations are under preparation and will be printed but not yet available. The simple title of this Act is as above with no further addition.

(6) *Quebec*—"The Securities Act and Regulations" issued in 1941—first contained in Quebec Statutes 1925 and various amendments thereto. The simple title is as above.

The regulations begin at the middle of page 29.

(7) *New Brunswick*—"An Act for the Prevention of Fraud in connection with the Sale of Securities"—25 Geo V., Chap. 11, together with the regulations made thereunder.

(8) *Nova Scotia*—"The Securities Act 1930 and Amendments," Office Consolidation issued in 1940 and regulations tabled March, 1942.

(9) *Prince Edward Island*—"An Act for the Prevention of Frauds in connection with the Sale of Securities," the short title to which according to Section 1 may be cited as "The Security Frauds Prevention Act."

SESSION 1945
HOUSE OF COMMONS

Document
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

FRIDAY, NOVEMBER 30, 1945

TUESDAY, DECEMBER 4, 1945

WITNESS:

Mr. J. E. Read, K.C. legal adviser of the Department of External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945

ERRATA

In number 7 of the minutes of proceedings, the name of Honourable Mr. Garson should be indicated as *Premier of Manitoba*.

In number 6 of the minutes of evidence, on page 142, line 30, delete the word "*indictable*" and insert thereto the word "*extraditable*".

MINUTES OF PROCEEDINGS

FRIDAY, November 30, 1945.

Room 268.

The Standing Committee on External Affairs held an executive meeting at 10 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Adamson, Benidickson, Boucher, Bradette, Croll, Dechene, Fraser, Hackett, Isnor, Jackman, Jaenicke, Jaques, Kidd, Leger, MacInnis, Marier, Marquis, Mutch, Raymond (*Beauharnois-Laprairie*), Mrs. Strum.

The Clerk tabled a letter to him from Mr. J. E. Read of the External Affairs Department relating a statement made before the Committee about the maintenance of an S.E.C. agent in Toronto. The letter was read by the Chairman.

The Chairman read a report of the Steering Committee in which certain suggestions were advanced based on the evidence adduced before the Committee relative to the Extradition Treaty and Protocol thereto.

A motion of Mr. Boucher respecting a portion of Mr. Gordon Jones' evidence had been referred to the Steering Committee for consideration.

After discussion and on motion of Mr. Fraser:

Resolved,—That the portion of Mr. Gordon Jones' evidence relating to certain methods of security registration in the United States proposed by two lawyers in the course of his interview be retained in the minutes of evidence.

This confirmed the decision of the Steering Committee.

Mr. Hackett suggested that the Steering Committee redraft the balance of its report.

On motion of Mr. Leger, the Committee adjourned to the call of the Chair.

TUESDAY, December 4, 1945.

Room 268.

The Standing Committee on External Affairs met at four o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Adamson, Benidickson, Boucher, Bradette, Dechene, Fleming, Fraser, Jackman, Jaenicke, Jaques, Leger, MacInnis, Marier, Marquis, Sinclair (*Ontario*) and Tremblay.

In attendance: Mr. Louis Audette of the Department of External Affairs.

Mr. Marquis made the following correction in the minutes of evidence (No. 6), viz:

On page 142, line 30, delete the word "indictable" and insert thereto the word "extraditable".

The Chairman tabled a telegram he received from Mr. H. C. Beatty, general manager of the Montreal Board of Trade. -

Mr. Read, Legal Adviser, External Affairs Department, was recalled.

As requested earlier in the proceedings, he tabled the following Registration Statements under Securities Act of 1933 and gave other information connected thereto.

1. Amendments to items 2, 10, 13, 17 and an amended consent.
2. Amendments to items 2, 4, 6 and 9, amended Exhibit C and amended consent.
3. Registration Statement itself.
4. Prospectus of the Dominion of Canada (Issue of \$90,000,000, January, 1943).
5. Exhibit C (January 1943).

Mr. Read commented on the representations heard under the following headings:

- (a) Flow of venture or other capital.
- (b) Double Criminality rule.
- (c) Course followed in the negotiation of the Treaty.
- (d) Application of double criminality rule in respect of Art. 9 of Treaty.
- (e) The question of bail in Art. XI.
- (f) Interpretation of Act. XII read with the Extradition Act.
- (g) Constitutionality of Treaty.

He also commented on Mr. Arthur Slaght's proposed amendments to the Extradition Treaty and Protocol under consideration.

At the request of Mr. Fleming, Mr. Read will endeavour to secure the comments made by U.S. Congressmen when the Extradition Treaty was before Congress.

Mr. Read was interrogated and retired.

On motion of Mr. Adamson, the Committee adjourned until Friday, December 7, 1945, at 10 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

December 4, 1945.

The Standing Committee on External Affairs met this day at 4.00 p.m. The Chairman, Mr. Joseph A. Bradette, presided.

The CHAIRMAN: Now we have a quorum so I will call the meeting to order. As you know, Mr. Read has to make a representation to the committee, as he stated to the meeting before the last. Some members of the committee were a little baffled as to why I called a meeting early this week. But I believe some good work has been accomplished. We discussed the steering committee's report.

I have here a wire from the Montreal Board of Trade and I believe that we will file it with the other arguments that we have. I would like to thank the members of the committee for coming in such large numbers and at untimely hours. I now call upon Mr. Read.

Mr. J. E. READ, K.C., External Affairs Department, *recalled*:

Mr. MARQUIS: I would like to call attention to an error on page 142 of the minutes of evidence: "Perhaps it would be a good thing if conspiracy were to be made an indictable offence?" The word should read extraditable.

The CHAIRMAN: What page is that?

Mr. MARQUIS: Page 142. I would not want to say "indictable offence" because it was ever and always an indictable offence. So, the word should read "extraditable".

The CHAIRMAN: The correction will be made. Now, Mr. Read.

The WITNESS: Mr. Chairman and honourable members of the committee: At an earlier stage in the proceedings, I was asked to check the punctuation of item 32 (a) of Article III of the treaty. In the printed copy of the treaty there is a comma after the word securities and preceding the word markets. In the original text, there is no comma at that point, and the only comma in clause (a) is the one after the word "markets". Another point that I was asked to look into and if possible to obtain information upon was the registration of the Canadian issues of securities with the Securities Exchange Commission, or rather the Canadian government issues. I have consulted Mr. George Lowe of the Department of Finance.

With regard to the issue which was made in January, 1943, \$90,000,000 of Canadian government bonds, it appears that the practice is to file the first registration statement and prospectus seven days before the actual date of the issue of the securities. There is then a period of seven days for amendments of the registration statement, which includes the changes made in the interval and, indeed, all information except the price.

On the seventh day, the registration statement itself and the prospectus are filed, and, on the following day, the securities are issued. I have not been able to obtain copies of the first registration statement, but I am furnishing for the information of the committee the following documents—(1) amendments to items 2, 10, 13, 17, and amended consent; (2) amendment No. 2; (3) Registration statement. This is a copy of the actual document filed on the seventh day, containing the complete information, including that which was contained in the first registration statement, and the amendments set forth in the two documents noted above.

By Mr. Jackman:

Q. Is that the prospectus of a Dominion of Canada issue in the United States?—A. No. The first is an amendment to the first registration statement. The next document, No. 2, is amendment No. 2. That simply is a second amendment to the first registration statement. Then, the third document is the registration statement itself. This is a copy of the actual document filed on the seventh day containing complete information including that which was contained in the first registration statement and the amendments which I have furnished.

By Mr. Fraser:

Q. Those amendments were required by the Securities Exchange Commission?—A. No. They are not required at all. It is just if there is additional information or if you want to change any of the information given in this sort of preliminary statement. It is a draft, really.

Q. Those are voluntary, then?—A. They may be due to inquiries or requests from the Securities Exchange Commission. On the other hand, they may come from other sources.

Q. But in this case they were entirely voluntary?—A. Yes. The first is just a draft and you can put in an amendment every day. But the seventh day it is the completed document.

By Mr. Marier:

Q. Including the amendments?—A. Yes, including the amendments. The fourth document is the prospectus which is nothing more or less than the registration statement in narrative form rather than in statistical form.

By Mr. Adamson:

Q. How many pages?

The CLERK: Fifty-five pages, Mr. Chairman.

By Mr. Adamson:

Q. There are fifty-five pages?—A. Yes, there are fifty-five pages.

By Mr. Fraser:

Q. And they are very closely printed?—A. Yes. Now, the fifth document is a copy of the annual statement which has to be furnished each year by the Department of Finance, as long as the securities are listed on the New York Stock Exchange.

By Mr. Fleming:

Q. Can we have the number of pages there?

The CHAIRMAN: There are nine and with the appendices they total about sixteen to twenty pages.

Mr. FLEMING: Thank you.

The WITNESS: I was asked to obtain information with regard to the way in which this was prepared. The information is prepared by an officer of the Department of Finance. As a matter of fact, it is the same Mr. Lowe to whom I referred.

Both in the original registration statement and the annual statement, the legal work is done by the departmental solicitor and the Department of Justice. The verification of the information in the registration statements involve a great deal of work on the part of the officer of the Department of Finance who is concerned, extended over some weeks, and the preparation of the annual statement involves at least a week's work every year for this particular officer.

I was asked for information as to the legal expenses to the Canadian government with regard to registration. They are nil. It might be misleading to suggest that they cost nothing, but the work was actually done by the departmental solicitor and the officers of the Department of Justice, and would be absorbed as a part of the ordinary legal expenses of the government.

The officer of the Department of Finance who furnished me with the information pointed out that, undoubtedly the underwriters made some expenditures which they absorbed as a part of underwriting charges, including some expenditures for paying their own lawyers. I have no doubt that the lawyers for Messrs. Morgan, Stanley & Company charged their clients what my friend Mr. Slaght would call a modest fee for their services which they rendered.

By Mr. Fraser:

Q. With regard to the documents you have tabled, the government has to pay for the printing of them of course?—A. I am morally certain that they were printed by the King's Printer. But there again it costs money for the King's Printer to function.

Q. You have no idea of the cost of any of that?

Mr. FLEMING: Oh, it is a part of the government's overhead.

THE WITNESS: Yes. Now, coming to the general approach to the problem, I would like to express my very great appreciation to the committee for its courtesy in giving me an opportunity to discuss these questions with the Minister of Justice before proceeding with what is, I suppose, the argument of the case. I have been able to get the necessary instructions, and I am now in a position to deal with all of the points which have been raised.

It is necessary to stress the point of view underlying the negotiations which led to the conclusion of the treaty and protocol. We have, in the relations between Canada and the United States, conditions which cannot be duplicated now or at any period in history between any other countries in the world. It is possible to conduct diplomatic relations in mutual trust and in a spirit of co-operation. The co-operation is being carried to a greater degree than was thought possible a generation ago. It was thought possible to enter into arrangements without too much concern for theoretical considerations of sovereignty. The Canadian government was more concerned with the suppression of crime and the apprehension of criminals than with academic speculations and the United States government approached the questions from the same point of view.

I have no doubt that it is theoretically possible from a purely academic point of view, that some situation could arise, in which, within the four corners of the treaty and protocol, it would be possible to ask for extradition under circumstances which would involve injustice to a Canadian, and it is equally possible in a theoretical way, that there might be circumstances which potentially would involve injustice to a United States citizen. The United States authorities are justified in assuming that the Canadian agencies engaged in the administration of Canadian justice will behave in the same way in which they have traditionally behaved in the past, and the Canadian government is justified in the feeling that the corresponding agencies south of the line will continue to act in a reasonable and fair manner. If some fantastic case arises, of the sort which has been envisaged in the discussion of these questions, it will still be open, either to the United States government or to the Canadian government to take the matter up on the diplomatic level. The correspondence which was filed with you with regard to the Bell Telephone Company was a good illustration of the sort of thing I have in mind. The solicitors for the company have made out a technical legal argument, with which I do not agree, but, if I am wrong in the point of law and if the United States authorities sought to extradite the Bell Telephone Company under the circumstances under consideration, it would still be open to the Department of External Affairs to discuss the matter with the

appropriate United States authorities. If, on the other hand, some Attorney General was able to bring an equally fantastic situation within the four corners of the treaty, it would, in the same way, be up to the State Department to talk it over with the Department of External Affairs. There has, I think, never been an occasion in the one hundred and three years in which extradition arrangements have existed between the two countries, when it has been necessary for either country to adopt this course, but, if, in the coming century or so, an occasion does arise, neither of the parties to the treaty is without remedy. And, I could go a step further. No Canadian or United States resident is without remedy.

Now, coming to the particular approach to the problems which have been raised—I mentioned that general approach, because in discussing the matter with Mr. St. Laurent, he regarded it as most important that I should suggest to the committee that we look at this problem from a somewhat broader point of view than has been under consideration by some of those who have been objecting to its provisions. I do not intend, in dealing with particular points, to go into every detail which has been raised. Apart from anything else, there is not time. But I thought I might look at the principal points which have been raised in the course of the discussion.

The first point was the argument based on the flow of venture and other capital as between the two countries. There has been a great deal said on the subject. I do not think I can add anything to what I said in opening. It is the view of the departments interested in the flow of venture and other capital as between the two countries, that it is impossible to maintain that flow over a long period of time upon the assumption that we maintain a position in which the business men of either country are doing business in the other country contrary to the provisions of its laws, and that the only way to maintain that flow of capital, which is essential to the development of a country, is mutual respect for the others laws.

Now, the second point concerns the double criminality rule. Here again I do not know that there is anything that I can add to what I said in opening, except, perhaps, to point out that, in substance, it operates only in the case of articles 31 and 32 because, I think, there is probably no instance in either items where the offence listed is not an offence in both countries.

By Mr. Fraser:

Q. Wouldn't 26 come under that too, using the mails to defraud? Wouldn't it be an offence? It might be an offence there if the Canadian sent out a prospectus, or something like that, for a mine to a friend of his perhaps in Montreal, and that friend had moved down to the States. The letter was forwarded to the States and so picked up there and they claimed it was contrary to this clause in here, 26; under which they were soliciting, and these others, 32, soliciting the sale of stock?—A. Well, as far as 26 is concerned I am not suggesting that there may not be some situation in which an offence under that, under the United States laws, would not be an offence of the Canadian law. But, in discussing the matter with the Minister of Justice, he was of the opinion that if a person committed an offence under 26, under United States law, that he would be guilty of an offence under the Criminal Code of Canada. I merely pointed out that the operation of the double crime criminality role was pretty narrowly confined in so far as items dealt with in the treaty are concerned. I think you are right. There may be a place where the United States laws go further than the provisions of the criminal code of Canada dealing with the matter.

Now, the third point was raised by my friend Mr. Slaght, when he suggested that the course followed in the negotiation of this treaty was in some way improper. I do not think it is incumbent upon me to debate the propriety of the course followed by the government in the negotiation of the treaty, and in

its submission to parliament. I do think it would be appropriate for me, in this committee, to enter upon a defence of my minister in a course which he followed in the negotiations of the extradition treaty and for which he presumably will be ready to take responsibility on the appropriate occasion. I think I might even be justified in pointing out that the procedure followed with regard to the extradition treaty and protocol was not different from the procedure followed in similar negotiations with respect to any treaties concluded by those countries over the past seventeen years. There was, however, perhaps, this difference: that in this case, owing to the establishment of this committee, greater steps have been taken to ensure full parliamentary control over these treaty negotiations than in the case of other treaties that have been under consideration by the Department over that period.

Now, the fourth point was raised by my friend Mr. Slaght. No, I beg your pardon, the fourth point was one that arose during the course of the discussion on article IX of the treaty. I think it was raised by Mr. Boucher in discussing the second paragraph of the article, where it dealt with the application of the double criminality rule in the case of a convicted person. Mr. Boucher raised the question as to whether it might be possible for a person to be convicted in the United States by a court in that country for an offence which was not an offence under the Canadian law and to escape, after conviction, and then to be extradited from Canada and to be debarred from showing that the offence was not an offence under Canadian law.

Well, I told the committee, at that time, that I had not looked into that particular question and that I wanted to discuss the matter with the members of the Department of Justice before answering it. So, after discussion, I think it is clear that the double criminality rule applies to convicts as well as to persons who have not been convicted. The point that arose in the course of the argument was that it might be unfair to a person who was convicted in the United States of America under default proceedings in which he had not been heard. I shouldn't care to say that there exists anywhere in the United States a criminal procedure whereby a person can be convicted in default. On the other hand I should not care to say that there is no state or no court in any state in which that might not be a possibility. It is one of those theoretical situations that, if such a circumstance arose, I should think that it was the type of circumstance that could be dealt with by either government. I am sure it could not happen the other way, but it is the sort of circumstance that can always be dealt with by the government when an application for surrender comes up. That is not a remedy available merely to the government; it is always open to the accused person to raise the point with his own government.

Now, the fifth point concerns the first paragraph of article XI which was the paragraph dealing with the question of bail. You will bear in mind that there was a marked difference of opinion between my friend Mr. Slaght on that point and my friend Mr. Brais. Mr. Brais pointed out that it was not the practice to grant bail in extradition cases, and that it was only in very rare circumstances where it would be granted. The actual effect of the first paragraph of article XI would be to go some distance in making it possible for the accused person to get bail in a case in which denial of bail would cause injustice. I venture to suggest that the present wording of the article would be fundamentally sound in practice and would tend to prevent injustice and to make it easier to get bail in the cases in which it would be a hardship to refuse.

By Mr. Jackman:

Q. Under the present practice you said it is not customary to grant bail in extradition cases. We have a rule of double criminality at the present time. Extraditable offences are rather rare. Whereas, if this present treaty be ratified, you will have a whole new set of cases?—A. Yes.

Q. Doesn't that enforce the argument of Mr. Slaght and the other counsel?

—A. If we had the ordinary provision, let us say, taking it from the old treaty position, then I should have thought that there would be a danger that the courts would go on with their present practice of refusing bail in nearly all cases. On the other hand I should expect that, under the article as presently drafted, the Department of Justice would have a good deal of voice in questions of bail and that, if there were a case in which the denial of bail would cause injustice—for example, take the case of a Canadian business man with a home in this country, a person who is not likely to skip—then I would expect the department to take into account article XI, and I would expect the judge to take into account the fact that the Department of Justice was not making representations in the case.

Q. But here counsel for the Crown is asked to instruct that bail be opposed.

Mr. MARIER: He is doing the same thing in practice.

By Mr. Jackman:

Q. It seems to me that the weight of evidence is shifted in this case against the officer of the Crown recommending bail; whereas, at the present time, it is almost a matter of course that it will be granted unless there is a pretty good indication that the man will skip or that the crime is of a most severe nature or of a high moral turpitude.—A. I would submit that bail is practically never given now in extradition cases.

Q. But the present extraditable offences are those involving moral turpitude, or the rule of double criminality at least; whereas the government is asking for an extension of that principle to so-called indictable or extraditable offences which are not offences under Canadian law?—A. Well, certainly most of the cases would be offences under Canadian law.

Q. I think it was pointed out to us that the Security Exchange Commission provisions are of a pretty technical nature, and I think the document you have filed in connection with the Dominion government loan, as to which there must be a most complete bona fides of the highest possible investment nature attached to it, so that any misstatements in that prospectus would legally subject anyone representing the Dominion of Canada to an extraditable offence under the Security Exchange Commission law?

Mr. MARIER: Yes, but in any province it would be a fraud too, according to our laws.

Mr. JACKMAN: If we had some illustration of what went on under the Security Exchange Commission! It is quite possible, as in the state of Michigan, where you have to make your application upon an approved form, that when a dealer infringes against one of those technicalities he has committed an indictable offence under the various blue sky laws in the various states and in the federal district. Mr. Chairman, do you want to discuss the various points now, or would you prefer that Mr. Read go on and make a full statement?

The CHAIRMAN: I will leave that to Mr. Read himself.

The WITNESS: I would be quite satisfied to have the points raised as I go ahead. With regard to article XI I cannot go further than to point out that in the view of those concerned in extradition matters that it would tend to prevent the injustice that now occurs owing to the reluctance of judges to grant bail in extradition cases. In any case it is certainly not a provision in the article that was included by reason of pressure from the United States of America.

Now, the next point, or the sixth point, concerns article XII. There was a great deal of discussion about article XII and the meaning of article XII. In the course of my friend Mr. Brais' discussion before the committee, he pointed out to the committee how little I knew about criminal law or extradition procedure. I am certainly not disagreeing with him in any respect in that matter.

I simply appear before the committee and bring to your attention the information that it has been possible to gather from all of the Canadian government departments concerned. But he was good enough to point out that I was not without experience in international law in which, perhaps, the most important part is the interpretation of an article of the treaty. So, in discussing article II I may perhaps be forgiven if I do not approach it with the humility I may show in dealing with some of the more technical aspects of the problem. Article XII provides that all articles which were in the possession of the person should be surrendered at the time of his apprehension, and any articles that may serve as proof of the crime or offense, should be given up when the extradition takes place, in so far as this may be permitted by the law of the requested country. It is in accordance with modern principles of interpretation applied by all international courts and by all who are concerned with the interpretation of treaties that the words "in so far as this may be permitted by the law of the requested country" govern the two parts of the article. That is to say, all articles which were in the possession of the person, and also any articles that may serve as proof of the crime or offense; and any attempt to limit the operation of the qualifying clause to the articles that may serve as proof of the crime or offense, while it violates not merely the ordinary canons for construction of treaties, would be doing violence to the English language because it is impossible to apply the ordinary tests that we apply in finding out the meaning of an English sentence, to separate the two parts of the article and to limit the operation of the qualifying division to the second part. Further, there is another element that is always taken into account in the interpretation of treaties, and that is the intention of the contracting parties. We differ there from the rules that are applied in the interpretation of the statute, or even a contract. In this case there is not the slightest doubt as to the intention of either the United States Government or the Canadian Government. It was that the only articles that can be sent back with a man are those in which there is permission by the law of the requested country. That brings us to the law of the requested country and if we look at this particular problem from the Canadian point of view—remember Mr. Slaght's case of the man who was being extradited and was required to hand over \$100,000 in bonds, which had nothing whatever to do with the offence with which he was charged, but which were merely his personal fortune.

By the Chairman:

Q. He said government bonds too?—A. Yes, he said government bonds. Now, let us take that case. We have got to go to the law of Canada to find out what he can take with him, or rather, what can be taken with him. That means that we have to go to the statute. According to common law you cannot take anything with him. You cannot take the man himself and you cannot take even one lead pencil which belongs to him, across the line to the United States of America. It is only the statutes that permit taking articles, and that is the Extradition Act itself. Now, if you will look at the Extradition Act, you will find that there are two provisions which enable taking back of property or articles with the accused.

By Mr. Fraser:

Q. That is 1927?—A. Yes, chapter 155 of the Revised Statutes, 1927. Now, section 25 enables the Minister of Justice to order the surrender of the fugitive to the officer of the foreign state. Now, by implication, and I will ask you to bear in mind the provisions of the Criminal Code with regard to the costumes which we must wear, that means that the Minister of Justice may order him to go with the clothes that are necessary to prevent his offending the Criminal Code. In other words, he must be covered. I take it that his personal clothing is carried with him by 25. Then, by 27 everything found in the

possession of the fugitive at the time of his arrest which may be material as evidence in making proof of the crime, may be delivered up with the fugitive on his surrender, subject to all rights of third persons with regard thereto. So, you have statutory power to take back with him the articles which are covered by the provisions of section 27. In the statutes I can find no other provision in the law of Canada that would enable you to take even a lead pencil with him, let alone \$100,000 worth of bonds.

Now, as I understand the argument put forward by my friends on this point, I think they were in agreement on it. It is that section III of the Act, in some way, overrides this position. Section III provides that "no provision of this part which is inconsistent with any of the terms of the arrangement shall have effect to contravene the arrangement". I think it is perfectly clear that there is nothing in the terms of the extradition arrangement, reading the treaty and protocol together, that in any way is inconsistent with the provisions of the —I should have said there is nothing in the statute that is inconsistent with the provisions of the arrangement. The mere fact, that for the time being, under the existing provisions of the Extradition Act, there is something upon which the first clause of article XII could not operate is unimportant. If the Extradition Act is amended, let us say, next year or two years hence, it may contain a provision, as an extradition act might very well contain, that there may be sent back with the criminal not merely the articles which may be used as evidence, but also, let us say, articles which would be necessary to respond to a restitution order. Then there would be something in those circumstances for the first clause of article XII to operate upon. I am not sure whether there is anything in the United States law on which that first clause could operate, but at any rate it is there, to take anything else that the law may permit to be sent back with the criminal.

I pointed out to my friend Mr. Sedgwick that the article is identical with the article in the British Extradition Act.

By Mr. Adamson:

Q. It is your judgment then that the clause, subject to the right of third persons, still holds valid?—A. Absolutely.

By Mr. Jaques:

Q. You mentioned fugitives and criminals.—A. I beg your pardon?

Q. You used the phrase "fugitives and criminals"?—A. Yes.

Q. But these people whose extradition is requested, they would not be fugitives because they have not flown from anywhere, and they won't be criminals because they haven't broken any criminal law?—A. I read from the Act. The only person who can be extradited is a person who is a fugitive within the provisions of the Extradition Act.

Q. Oh, yes?—A. And in so far as criminals are concerned—I apologize for the looseness of my language—for what I really meant were persons accused of a crime. It is a crime or offence that comes within the items listed within article III.

By Mr. Jackman:

Q. Can we take it that this article adds nothing to the present law in regard to extradition, and that the wording of it is such that it could not be improved upon? Take, particularly, the "and", in the second line. It does seem to cause one to view it with some concern as something new; but your explanation would dispose of it. This section adds nothing to the law? You think that the English of it is good?—A. It does add this: article XII is like a double-barrelled shot gun. We have a cartridge, section 27 of our Extradition Act, and we can put in one barrel. Now, it may be that parliament will decide, at a later stage, to manufacture another cartridge, so the first clause is there

to take it, let us say, an article which may, for instance, add a thing stolen which might not be of such a character as could be used for proof, but it might be desirable to return it by way of restitution. You see what I mean? There might be. It is conceivable that there might be an article that the court that is trying the man should have.

By Mr. Fraser:

Q. Then, if there was something that the court which was trying the man should have, it might not be an article serving as proof necessarily?—A. No. If I might suggest this: there are cases in which a court should have an article connected with the crime notwithstanding that the article may not be useable as proof.

By Mr. Adamson:

Q. Are you setting up this case: that if a man is accused of taking, say fraudulently according to state law, \$100,000, or has sold \$100,000 worth of securities, and he is found with \$100,000 of somebody else's securities on his person, and this goes through, that that \$100,000 on him could be sequestered to the United States in order to make restitution? Is that your case?—A. I am suggesting that it might be a matter to consider.

Mr. MARQUIS: But the first party has the right to claim that amount. He cannot be wiped out unless the law says so.

Mr. MARIER: It cannot affect the right of third parties. The question is: is the property he has in his possession to be taken out of the country? It can be, if it is permitted by the law of the requested country.

Mr. MARQUIS: Isn't it the same thing under the customs law? When a car is seized, if it belongs to a third party who does not know at all what is going on, then that third party has the right to claim the car?

The CHAIRMAN: No. Anything they take then belongs to the Crown.

Mr. MARQUIS: Yes, but if the car should have been stolen, I think they would have the right to claim it?

The CHAIRMAN: Not under the present regulations.

Mr. MARQUIS: Are you sure of that?

The CHAIRMAN: Yes, I think so.

Mr. MARIER: But this is a different law.

The CHAIRMAN: Anything the customs catches belongs to the government.

The WITNESS: There was one other point I wanted to bring to your attention. In discussing the matter with the Minister of Justice, he indicated that if the interpretation was placed on article XII which my friends have placed upon it, that it would not be extradition law, but would relate to property and civil rights. If any attempt were made to pass a statute, or if the present statute read in conjunction with the article is construed to mean that all articles can be taken, it would automatically make section III of the Extradition Act ultra vires. Accordingly, any court dealing with the matter and being faced with two interpretations of its provisions, one of which would be beyond the powers of parliament and the other within the powers of parliament, would be bound to place the interpretation upon the provision that is within the competence of the legislative authority which enacts it.

It would not be within the powers of parliament to make a law whereby that \$100,000 worth of bonds could be taken from the possession of the accused person and sent to the United States of America—assuming that the bonds are not connected with the crime. So that the suggestion I am making is that you would be bound to place the interpretation on article XII, which, when read in conjunction with the provisions of the Extradition Act, would result in an extradition law within the powers of parliament.

The seventh point which was raised in the course of the discussion was a constitutional question. I discussed that question with the Minister of Justice and he suggested that I might inform the honourable members of the committee that he had referred the possibility of referring the question to the Supreme Court of Canada to the conference which met last week. In that respect he was, in effect, complying with one of the suggestions put forward by my friend Mr. Slaght in his opening statement and in his concrete proposals. The matter is under consideration by the Dominion-Provincial conference and it is open to the provinces concerned to deal with this aspect of the question. I have no doubt that if any province is anxious to have the constitutionality of the statute, treaty, and protocol submitted to the Supreme Court of Canada, there will be readiness on the part of the Minister to comply with the views of the provinces.

I do not know how far the committee would want me to go in discussing the constitutional question. I should think that you would probably want to make a formal request for an opinion from the minister on the constitutionality of the Act and the extradition arrangement, if you wanted to go further with this aspect of the question. There is one answer to a point which was raised in the argument which I think was not dealt with particularly. I think that nearly all questions which arise in the course of the discussion were dealt with by members of the committee bringing out this, that, and the other aspect of the question. Reference was made to the provisions of the British North America Act and so forth. But there is this one point that the minister thought that I might mention to the members of the committee.

The argument was that the extradition treaty and protocol dealt in some way with provincial matters and that the provinces had enacted laws to deal with security matters. Therefore it was felt that the matters for which a person was being extradited from Canada were matters which were properly the subject matter of provincial legislation. I should like you to bear in mind that under the provisions of the treaty a person can only be extradited from this country if he has committed an offence within the territory of the United States of America. If you will look at the provisions of article I, the fundamental element of the treaty is that it can only apply to a person who has committed an offence within the United States of America. If one thing is certain in the field of constitutional law in this country, it is that the legislature of a province has no power to make laws having extra-territorial operation. The provisions of the Statute of Westminster which declare that the parliament of Canada has full power to make laws having extra-territorial operation has no application to the legislature of a province. So, there is no province of Canada which could make any laws affecting the commission of an offence by any person, let us say, in Albany or in San Francisco.

Further, if you will look at the provisions of the Extradition Act, you will see that the Extradition Act is a statutory scheme whereby machinery is set up in order to pick a man up, let us say, in Ottawa, who has committed an offence, let us say in Albany, and to put him through the appropriate judicial procedure here to maintain restraint on his person and to remove him to the border and to hand him over to the demanding authorities.

The United States Extradition Act, if you will examine its provisions, is concerned with the converse case, where it is the question of a person who has committed an offence in Canada. It is the United States legislation that picks him up and hands him over. It is perfectly clear that no provincial legislature could enact a statute that corresponded in any way to the Extradition Act.

Let us suppose that the legislature of Prince Edward Island attempted to do so, and passed a statute involving the exercise of restraint over a person, a person who has the right to habeas corpus. That person is put on the Canadian National train in Charlottetown and routed for Chicago by way of Toronto. That man could be got out on habeas corpus in New Brunswick, Quebec, and

Ontario because the legislature of Prince Edward Island has no power to make any laws having extra-territorial operation.

I should like to make particular reference to Mr. Slaght's proposals. I think you have had them before you and I should like to examine them with some care. The first proposal is in paragraph 111 of his note which related to the double criminality rule and established a discrimination between a person resident in Canada and a person not resident in Canada in the application of extradition. You will have noted that this proposal met with very strong objection from our friend Mr. Brais. It would be a most unfortunate thing, if, in dealing with this matter, we abandoned the principle that the law is no respecter of persons. It would be a far better thing to abandon the extradition altogether or abandon the extradition treaty and protocol and negotiate a new treaty than to establish, in our relations with the United States of America, a principle which is only invoked in extradition arrangements with countries such as Japan, in which there is a very fundamental difference in the legal system.

The second point relates to clause I of the protocol and it is subject to precisely the same objection.

The third submission is one with which I should not ordinarily be disposed to take issue. In all drafting, one finds alternative forms of words designed to accomplish the same objects. The present draft was designed to have the same meaning as the version suggested by Mr. Slaght and was so intended by both of the governments. If a court decided that this clause had the meaning that my friend places upon it, regardless of which way the extradition was being taken, whether to or from Canada, it would be necessary for the governments to make a new protocol. The present draft has been prepared, studied and approved by the departments of the Canadian government which are concerned, including External Affairs, Justice, Finance, State and National Health and Welfare. There are probably some of you who may be surprised that National Health and Welfare enter into the picture but they extradite more people than everybody else put together in this country because narcotics comes under their jurisdiction. It has also been studied and approved by the State Department in Washington and the Department of Justice, as well as by other departments of the United States government interested in the negotiations. It may or may not be well drafted. I would, however, deprecate the suggestion that clauses of treaties should be sent back for renegotiation merely because it is possible to make an argument or an interpretation inconsistent with the view of the contracting parties. I think you could make an argument about any draft.

By Mr. MacInnis:

Q. You are striking a serious blow there at the legal profession when you say that.

The CHAIRMAN: You are dealing with article IX?

The WITNESS: No, it is dealt with in paragraph V of Mr. Slaght's submission, when he suggests that you strike out the words "dealing with securities in the requested countries, and so on". You remember that he suggested that it meant it was restricted in its operation to dealers.

By Mr. Leger:

Q. Well, I believe afterwards he said that we should leave it as it was.—A. No, I do not think so, sir. He asked us to strike out the words and then to put in an alternative draft.

Q. I remember asking him that and this is what he did.—A. But it still leaves the first part of it. He did not want to be recorded as putting forward any constructive suggestion.

The CHAIRMAN: It is the latter part, that is all.

The WITNESS: Now, the fourth submission relates to sub-clause (a) of clause one of the protocol, in which it is suggested that the word "criminal" should be added to follow the word "fraud" so as to read—"fraud, as defined in the criminal laws of both countries". This suggestion was considered and rejected by the departments of the Canadian government concerned in the negotiations, whether wisely or unwisely I do not know; but at any rate the feeling was that the clause as presently worded would not be changed in any substantial way by the addition of the word criminal. I had the advantage of discussing that question again with the Minister and the Deputy Minister of Justice on Saturday, and they agreed with the view that there would be no change in substance by the addition of the word criminal to the clause in question. Secondly, I would suggest that while there would have been no serious objections to the inclusion of the word criminal at an earlier stage, it does not all enough to justify renegotiation on that point.

Frankly, I will concede to the committee that, if we were negotiating again, I would not hesitate to meet Mr. Slaght's point by adding the word criminal because I do not think there was any strong objection to its addition; but it is one of those things in the course of drafting, where you have half a dozen, and you come to the conclusion that the weight of opinion is in favour of striking out the word, but not on the basis of any change in the substantial position. If there is civil fraud in a transaction, there is not the slightest doubt that there is criminal fraud as well.

By Mr. Marier:

Q. If you say "by the laws of both countries", it would not be the law of both countries?—A. No.

Now, the fifth submission is included in paragraph VII and it relates to article XI. It would involve the renegotiation of the treaty and would eliminate the actual and substantial protection given to the accused by the second sentence of the first paragraph of article XI. It involves the elimination of the provisions with regard to bail. I said enough about that a few minutes ago and I do not need to repeat myself.

The sixth submission relates to article XII and here again I do not think I can add anything to what I have already said.

The seventh submission, which you will find under "general" in paragraph IX, for consideration of the Dominion-Provincial conference, that has already been dealt with; and the other points with reference to the Supreme Court of Canada I have already mentioned. They are under consideration.

By Mr. Leger:

Q. Has it been taken to the Supreme Court?—A. No; but, as I pointed out before, the Minister of Justice discussed this point with the conference last week; I do not know that he put it formally on the agenda, but he consulted the provincial representatives there with a view to ascertaining whether the provinces desired to have a reference to decide upon the constitutionality of the extradition arrangements act.

Now, dealing generally with the submissions made by my friend Mr. Slaght, it is necessary to bear in mind that we are considering a treaty and protocol resulting from negotiations between two countries. If it is considered that changes are desirable, there are three courses available.

The first course would be the negotiation of a new treaty with the United States of America. In such a case, it would doubtless be possible to incorporate into the main structure of the treaty the measures dealt with in the protocol. One should not overlook, in considering such a course, the diplomatic difficulties that would arise out of proposals for renegotiation.

The second course would involve negotiation of a new protocol, leaving the treaty to stand. Here again, there would be diplomatic difficulties, but it is

not an impossible course. It is, however, one which should only be resorted to if the present arrangement is regarded as involving genuine injustice to persons coming within its terms.

The third course presents less difficulty, namely, the consideration of the revision of the Extradition Act itself. Bearing in mind the general nature of the negotiations, it would, as a matter of good faith, be necessary to discuss with the United States representatives any changes in our extradition law which would have the effect of altering the bargain which would be made in the treaty and protocol. I do not myself, for the moment, suggest any curtailment in the powers of parliament of Canada or of this committee. I was merely suggesting that any plan involving a change in a basic law would, in the case of ordinary diplomatic practise involve consultation with the other countries with which a treaty has been negotiated.

By the Chairman:

Q. Before you leave that, Mr. Read, and the three courses you mentioned, just for my own information—this is a new committee—but you seem to think that there are insurmountable obstacles for the two first courses, renegotiation of a new treaty, which you think to be impossible, and secondly, renegotiation of a new protocol. I am not very clear on that yet. I know that this committee has only the power of recommendation, but surely the Canadian parliament has the right to make its sentiment or voice expressed even with respect to a treaty or protocol?—A. It is perfectly clear that parliament could object to the treaty and refuse its approval. It is equally clear that parliament could propose changes which would mean a new protocol. That is the equivalent of the reservation procedure in the Congress of the United States of America. For example, when a treaty has been concluded between two countries, say between Canada and the United States, it is by no means uncommon, over in the Senate of the United States of America, to make approval of that treaty subject to conditions which are embodied in reservations to the treaty, or in a document similar to the protocol. It would clearly be up to this committee, if it objected to the provision of the arrangement as a whole, to say: this is wrong; that is wrong; something else is wrong; we cannot recommend approval until those three points are straightened out. They could be straightened out in two ways, depending upon the nature of the point. It might be necessary to negotiate a new protocol with the United States in order to meet those objections; or it might be possible to meet the objections by change in the statute which would not involve a new protocol. The third course is a somewhat simpler course. Let us assume, for the purpose of argument, that the committee decided that the view presented by my friend Mr. Slaght, that his interpretation of article XII is well founded and that it is necessary to eliminate the inferences resulting from the wording of section three of the Extradition Act, it would not present any very great difficulty to make appropriate amendments in section III and section XXVII of the Extradition Act, so as to make it clear that the position was the position as understood by both governments at the time of the negotiation. That would present no difficulty. It would present a good deal of difficulty if you decided to follow the suggestion made by my friend Mr. Slaght, because it would necessarily mean the negotiation of a new treaty.

By Mr. Fraser:

Q. You mean that if we leave the treaty as it is and change our own Act?
—A. Yes.

Q. Then an American reading this treaty would not know about the change in our Act?—A. No, he would simply read the treaty. The United States government who ratified the treaty, could call upon the Canadian government to carry out its provisions; so, a change in the Act would be in conformity with the treaty.

The CHAIRMAN: It was the new features that entered into the treaty that caused the fear.

By Mr. Adamson:

Q. In connection with diplomatic difficulty, on two occasions recently the United States Senate has not approved. I do not know whether you can use the word abrogate, but it certainly has not approved two treaties which were approved by the Canadian government and by the Canadian parliament. The first one was the St. Lawrence Deep Waterways, which was thrown out by the Senate; and the second was the Chicago Drainage Canal. In the first case, they completely threw out the treaty; and in the second case they altered and amended it to allow the diversion of water at Chicago to be greater than was originally agreed upon. Now, those treaties were signed in good faith. No Canadian diplomat could possibly question the United States Senate's right to disagree with a treaty that was signed by diplomatic officials, even though we wanted the treaty very much. I cannot see or hear of any diplomatic difficulties. They have a sovereign parliament and so have we.—A. Yes.

Mr. MARIER: There would be no difficulty if the treaty were never signed; but there would be if a new treaty were negotiated.

By Mr. Adamson:

Q. The St. Lawrence treaty had been negotiated and had been signed, and so had the Chicago one. Both were thrown out by the American Senate.—A. I would like to suggest that you must have something else in mind than the Chicago diversion, because there has never been a treaty in regard to it, apart from the provisions in the St. Lawrence treaty—you may have been thinking about Niagara?

Q. The agreement was four thousand second feet, and I believe they changed and diverted it to six thousand second feet, for a period of years, irrespective of the treaty.

By Mr. Fraser:

Q. It was an agreement, wasn't it?—A. There is no record of such an agreement in the records of the Canadian government, in so far as Chicago is concerned.

Mr. BOUCHER: Didn't that come into being by way of an understanding in relation to the diversion of waters of the great lakes, through an agreement entered into with the pulp and paper mills by international consent? I do not think it was an agreement. I think it was an agreement made with the contracting parties with the approval of the state of Michigan. I do not think it arose by way of a treaty, but rather by way of a negotiation in connection with water power from lake Superior and lake Huron.

By Mr. Adamson:

Q. I shall look it up, but whether that is so or not, they definitely threw out the St. Lawrence deep waterways treaty after it had been signed?—A. Yes.

Q. There was no question about it?—A. There was no question about it.

Q. Whether or not there was a diplomatic difficulty there?

The CHAIRMAN: The only fear I see is that it deals with criminality and that some of the laws won't be applied in the meantime by the two countries. That is what I suppose the department fears.

The WITNESS: I do not want anybody to think that I am suggesting that there is any limitation on the powers of parliament or of this committee.

The CHAIRMAN: Or that those powers are limited. We know that.

The WITNESS: With regard to the treaty, I am suggesting, and I offer my suggestion for what it is worth, that it would be embarrassing from a diplo-

matic point of view to go back, let us say, to the United States of America and ask for the negotiation of a new treaty.

MR. BOUCHER: In that respect it would be almost equally embarrassing if we were to sign this treaty as it is and subsequently amend our Extradition Act to delimit it.

By Mr. Jaenicke:

Q. Mr. Read suggested that the United States be first informed before we do that?—A. I think I discussed that before Mr. Boucher came in.

By Mr. Marquis:

Q. If we had to negotiate a new treaty, and the United States revised some clauses, there would be no difficulty at all?—A. Yes. Now, I think I will leave this point where I put it: that there is no question that it would be regarded as being an awkward position, from a diplomatic point of view, as compared with an amending statute, if it is possible to accomplish the results in that way.

By Mr. Jaenicke:

Q. May I ask a question: the objection, as I understood, before the committee was that, as to the treaty, how could we amend the statute so as to remove the objection to the treaty? The only way we could amend the statute would be in conformity with the treaty, and that would remove the objection?—A. I thought I had pointed out an illustration of a case in which there was a strong objection taken to the treaty, and the proposal was made to strike article XII out and to put in another article. That really meant a new treaty. My suggestion was that it would be better and easier to deal with that by a new protocol, if the committee thought it was necessary to do so, or even easier and better to deal with it by amending the Extradition Act. Mr. Slaughter's argument was based upon his interpretation of the Extradition Act which had the effect of putting an artificial meaning on article XII, which was entirely inconsistent with the meaning that either of the governments had when they signed the treaty.

By Mr. Boucher:

Q. Wouldn't you agree with me in saying that the terms of the treaty, if inconsistent with the Act, would overrule the Act and have priority over it?—A. Yes, under section III of the Act.

MR. JAENICKE: But we could change that, couldn't we, and say that the Act should overrule the treaty?

By Mr. Boucher:

Q. I think by international law, it is usually recognized, is it not, that a treaty overrules an Act?—A. In so far as the relation between two governments is concerned, either government is entitled to complain if you have not carried out your bargain, and it is no defence to say that there is an Act of parliament that prevents us from doing it. On the other hand, in this country apart from section III of the Extradition Act, there is no instance in which a provision of a treaty would be paramount to a provision of a statute where there is a conflict between them. Now, in the United States of America you have the opposite position.

Q. Would it not express it tersely by saying that internally there is no law or custom that puts a treaty prior to an act, but that international goodwill requires that it be so?—A. Yes.

The CHAIRMAN: It seems to me that the making of a treaty is a gigantic affair.

By Mr. Jaques:

Q. Where did this thing originate? Where did the pressure come from? I am not a lawyer so I cannot make a very fine distinction; but whose is the big idea?

Mr. JAENICKE: Oh, that was all discussed.

By Mr. Jaques:

Q. I do not think it was. If it was, I would be glad to hear it?

The CHAIRMAN: I do not think that comes within the realm of Mr. Read.

Mr. JAENICKE: It is all in the reports. Let him read them.

By Mr. Jaques:

Q. But he can give it to me in two words. I say, where did it come from?—A. Canada, one word.

Q. You say it originated in Canada?—A. Yes.

By Mr. Fraser:

Q. Not these three clauses, surely, 26, 31 and 32?—A. I understood the question to mean the treaty. If it means 26, 31 and 32, they came from Washington. I explained that in my opening statement. I am sorry to be taking so much time.

The CHAIRMAN: That is fine, don't worry about that.

Mr. LEGER: It is already twenty minutes to six.

The CHAIRMAN: But we needed that information.

By Mr. Leger:

Q. Sure, we wanted that information.—A. There was another point which was raised in the course of my opening statement, by Mr. Jaenicke.

By Mr. Jaenicke:

Q. What is a fugitive?—A. I would just like to say a word or two in regard to that because I think I am bound to mention it to the committee. Mr. Jaenicke was good enough to furnish me with citations of a number of United States decisions with regard to the operation of extradition in the United States of America. Under article 1 of the treaty, provision is made for extradition where an offence is committed by a Canadian in the United States of America or by, let us say, an American in Canada. You must have the element of an offence within the territory of the other party. In my opening statement I referred to the decisions in two cases in England, the Nillins and the Godfrey cases, where it was held that a person could be regarded as a fugitive offender within the meaning of the British Extradition Act notwithstanding that at all times he had been within the United Kingdom and had never left that country. It was pointed out to me that there were a number of United States decisions dealing with the definition of fugitive under the United States Extradition Act. I think it is clear that it is not possible to extradite a person from Canada to the United States of America unless he is a fugitive in the sense that he has been within this country and committed an offence and fled to the United States of America; so that, in the actual working out of the arrangement, not by virtue of any provision in the extradition arrangement itself, but by virtue of the decisions of the courts, there is not complete reciprocity. I felt bound to bring that to the attention of the committee, particularly in view of the fact that Mr. Jaenicke has been good enough to furnish me with the authorities. The United States law differs from ours, if you assume that Canadian courts would follow the Nillins and the Godfrey cases in an extradition out of this country. It is true that it is based on an interpretation of a provision in the British Act which is something different from the corresponding provision in the Canadian Act.

Mr. BOUCHER: As a rule of law, a British decision is more binding on a Canadian court than an American decision? Isn't that a principle of law?

Mr. JAENICKE: But the American law is the other way?

Mr. BOUCHER: And if this treaty were passed, Mr. Jaenicke, the Americans could even change that law and create the status of a fugitive even though he were not physically within this country.

By Mr. Marquis:

Q. Can we change the law in Canada? Can the United States change the law after the adoption of the treaty without informing Canada?—A. Well, in the course of ordinary practice, either country would inform the other of any changes in the legislation that would affect the provisions of a bargain made between them.

By Mr. Marquis:

Q. You said a few minutes ago that if we changed our Act, we should inform the United States?—A. That would be the ordinary course. However, if there was any suggestion at any time to change Canadian legislation, the ordinary diplomatic practice would be that we would let the United States authorities know; and if they should change their Extradition Act, they would let us know, unless the change was of such a character that it did not affect the provisions of the treaty between the two countries.

Mr. MARQUIS: If they change the interpretation of the treaty, it seems to me that they should inform the other country.

Mr. JAENICKE: Do I understand you correctly, Mr. Read, on the authority of these English decisions, that a Canadian resident could be extradited to the United States without ever being present in the United States?—A. Yes.

By Mr. Jaenicke:

Q. But according to American law, an American who commits a similar offence in Canada could not be extradited from the United States?—A. Yes.

By Mr. Boucher:

Q. Isn't that subject to variation from state to state? Every state has different laws in that respect?—A. Well, I have not been able to find any decision the other way; it is largely due to the fact that things are profoundly affected by interstate extradition. Let us say, in a case corresponding to the Nillins case or to the Godfrey case, you could not extradite between states because of the provisions of the Constitution of the United States. In it, extradition is limited. Even the definition of a fugitive is given in the Constitution of the United States, as being "one who shall flee from justice".

By Mr. Boucher:

Q. You will agree with me that fleeing from justice has such an elastic meaning that it can be a case of fleeing from justice according to the law of one state and not fleeing from justice according to the law of another state?—A. But there is only one law when it comes to the Constitution of the United States and that is the law of the United States Supreme Court.

Q. That is right, and it also interprets the law of the various state courts or the state laws.

By Mr. Marquis:

Q. We have nothing to do with the governments of the particular states; but when our country deals with extradition, it deals with the government of the United States.—A. We deal with the government of the United States, but the extradition is initiated by the state authority, just as it is in Canada, where it is initiated by the attorney general of a province.

Q. But it has to go through the channel of the United States?—A. Yes.

By Mr. Adamson:

Q. We are subject to a state law in this case?—A. You mean in the substance or in the procedural matter of extradition?

Q. In the substance?—A. That is the state, apart from federal provisions such as the Security Exchange Control.

By Mr. Marquis:

Q. Each state has its particular law; but as to extradition procedure, it comes under the federal government of the United States?—A. Yes; it comes under Congress, and the Extradition Act.

By Mr. Jaenicke:

Q. Do you mean to say that we cannot extradite any person from the United States under this treaty who has committed an offence in Canada under a Canadian provincial law and flees to the United States? Do you mean to say that?—A. No.

Q. Supposing some one commits an offence against one of our provincial security laws and then flees to the United States. Can we extradite him?—A. If the attorney general of the province desires to extradite him, the machinery is included in the extradition arrangement of the Act, and there would be no difficulty.

Q. Extradition is not provincial, because this is a provincial law?—A. No. Now, I am afraid that I am taking an unconscionable amount of time of the committee.

The CHAIRMAN: No, it is time well spent.

The WITNESS: I wanted to refer to the point raised by the Attorney General for British Columbia, Mr. Maitland. He suggested that a submission of the treaty be made to the various attorneys general in Canada and to the security commissioners.

With regard to the attorneys general, may I point out that the department has already made reference in the ordinary course and has received a very valuable comment from the attorney general of Saskatchewan who has made a very close examination of the text and has pointed out a piece of doubtful drafting in the third paragraph of article XI where the words used "committal for trial" should really have been "committal for surrender". It is possible that the department may receive representations from other attorneys general and in that case we shall, if possible, bring them to the attention of the committee.

This reference to the attorneys general was made quite a long time ago. Mr. Maitland also suggested that there should be a consultation with the security commissioners. I should like to point out that there have been consultations, a number of consultations, with the security commissioners since the signature of the treaty and in the course of the negotiation of the protocol and I think I might be justified in bringing to the attention of the committee the results of the consultations with the securities commissioners. I think, in fairness to them, that I am bound to say that we cannot regard those consultations as technically binding the governments of which they are officials because we took advantage of the existence of a committee on company matters presided over by Mr. O'Meara, Assistant Under Secretary of State of Canada. There were extensive consultations with them at an earlier stage, and in August of this year Mr. O'Meara put the present draft protocol, subject to one or two minor drafting changes—for example, letters (a) and (b) were not in the text that was submitted; it was a block sentence without being separated—Mr. O'Meara submitted it to the securities commissioners at a meeting. I should have said on the 15th of February, 1944, not August. The revised draft incorporated the suggestions adopted at the meeting held by the committee dealing with the problem.

Following receipt of the memorandum setting forth the revised draft, Mr. O'Meara communicated with the securities commissioner of each of the provinces of Canada, to whom he sent copies expressing his belief that the draft in the form submitted would meet the various objections raised at our Winnipeg conference. That was an earlier conference where he consulted the commissioners in order to ascertain what objections needed to be met in the draft reservation or protocol. He added that he would be glad, however, to have any comment in the premises which the commissioners desired to place before him. Mr. O'Meara received replies from all provinces except Ontario and Prince Edward Island. The commissioners of Alberta, Saskatchewan and Nova Scotia wrote letters of approval. Mr. Cottingham, of Manitoba, advised by telephone, unofficially, of his approval, explaining however, that he had not yet received any official instructions in the matter from his attorney general to whom he had referred my letter. Mr. Logan, of New Brunswick, expressed approval in general terms, suggesting, however, that, in his opinion, an amendment ought to be effected to the Criminal Code making it an offence to solicit by telephone subscriptions for securities.

Mr. DeBeck, of British Columbia, wrote approving of the plan but expressed some concern about the reference to "fraud" without an attempt at defining the term.

Mr. Blackstock of Alberta, in his letter intimated that he had at first felt some concern on the same point but had concluded that such a problem as existed in that respect was one for the United States authorities rather than for Canada.

Messrs. Routhier and Leboeuf of Quebec, gave what I believe is implied approval, having telegraphed that "revised draft confidentially submitted to our attention merely speaks for itself and therefore needs no additional comment on our part."

It seemed that the protocol met the objections which had been raised at the Winnipeg conference. In Mr. O'Meara's opinion, it was quite unlikely that Ontario would be disposed to give approval at this time, to any form of extradition treaty covering offences in securities transactions.

In bringing this information to your attention, and in fairness to the security commissioners concerned, I think I am bound to emphasize the fact that this was an unofficial consultation. It was not a formal communication with the provinces, because there is no instance that I know of in the past where there has been a formal communication with regard to a treaty where the subject matter was the same sort as the extradition treaty and arrangement.

By Mr. Benidickson:

Q. But you did write to the attorneys general, did you not?—A. We did write, after the signature to the document. We felt it would not be fair to impose the responsibility in a matter in which it was a view of the department and also, I think, of the government, that it was a federal rather than a provincial matter in which there was no active provincial co-operation being asked and no suggestion of any need for provincial legislation.

By Mr. Fraser:

Q. Did you give the date on which they were written to?—A. They were written to in October of this year, and the replies will come in, I suppose, in the course of the year.

Mr. FRASER: I move that we adjourn.

The CHAIRMAN: If Mr. Read is through?

The WITNESS: I am through apart from saying thank you to the members of the committee.

Mr. MARQUIS: I would suggest that we have Mr. Read come back later and we can ask a few more questions of him.

The CHAIRMAN: Would you like to see Mr. Read come back before the committee at some future stage? I understand that we cannot proceed with the report until we have digested what Mr. Read has said this afternoon.

By Mr. Fleming:

Q. Mr. Read was asked by Mr. Slaght to look up the *Congressional Record* to see what expressions were uttered in Congress concerning this question?—
A. I must apologize for not having got that information at the present stage, but I will get it.

Mr. BOUCHER: Before you say that it is the opinion of the committee that we should digest this before we go further, I think I should draw to the committee's attention the fact that in all probability this session will last only another week or ten days.

The CHAIRMAN: Hear, hear, that is not an unpopular statement.

Mr. BOUCHER: And that, if we are going to bring in a report at all, under this session, we will have to do so before that time expires; otherwise, in essence our committee meetings pass out.

The CHAIRMAN: We could have Mr. Read again tomorrow if it be agreeable to the committee and to Mr. Read?

Mr. LEGER: I think we should read the evidence first.

The CHAIRMAN: It would be a continuation of the evidence and then we would have the whole thing before us.

Mr. MACINNIS: But he has said that he was through.

The CHAIRMAN: Yes, but we could question him.

Mr. FRASER: I understood that we could have this report printed within two days. So, could we have a meeting on Friday morning?

The CHAIRMAN: Yes, so far as I am concerned. I am entirely at the disposal of the members.

Mr. ADAMSON: Before you go, isn't the opinion of the committee, first of all, that it is imperative that we bring in a report? We cannot just sit here and say that we report progress?

The CHAIRMAN: Decidedly, decidedly.

Mr. ADAMSON: And secondly, we have got to do it quickly. I know this is an involved matter but it has got to be done, so I move that we meet and if Mr. Read has anything more to say, we meet to-morrow at ten o'clock; otherwise let us meet on Friday, with his evidence in front of us. It is up to this committee to say.

The CHAIRMAN: In the meantime might I have a meeting of the steering committee. All agreed on Mr. Adamson's motion?

Mr. MARQUIS: It would be a good thing to discuss the matter, but perhaps we should have the report first.

Mr. ADAMSON: We will meet on Friday at ten o'clock?

The CHAIRMAN: Mr. Read says he cannot be here on Friday, but we will meet on Friday just the same and we will have Mr. Read on Monday and go ahead with our report on Monday or Tuesday.

Mr. ADAMSON: Could Mr. Read come tomorrow?

The WITNESS: I could come tomorrow morning.

Mr. ADAMSON: What more have you got?

The WITNESS: I have not anything more; I am through.

Mr. ADAMSON: Surely we have heard all the evidence Mr. Read could give us; then, let us meet on Friday and draw up our report.

The CHAIRMAN: And as to any special questions, they could be answered through the secretary or through myself.

Mr. ADAMSON: Yes.

The CHAIRMAN: The steering committee could meet on Thursday. The meeting is now adjourned.

The committee adjourned at 6.10 p.m. to meet again on Friday, December 7, at 10.00 o'clock a.m.

SESSION 1945
HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS

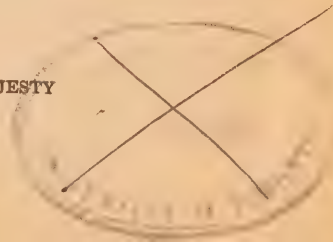
No. 9

TUESDAY, DECEMBER 11, 1945

INCLUDING

1. Third report to the House.
2. Index to witnesses and to appendices.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1945



REPORT TO THE HOUSE

TUESDAY, December 11, 1945.

The Standing Committee on External Affairs begs leave to present the following as its

THIRD AND FINAL REPORT

Consideration has been given to an order of reference dated November 16, 1945, viz:—

That the Treaty for the extradition of criminals between Canada and the United States of America signed at Washington, April 29, 1942, and the Protocol annexed thereto which was signed at Ottawa, October 3, 1945, be referred to the Standing Committee on External Affairs.

Nine meetings of the Committee were devoted to the subject-matter of the order of reference.

Mr. J. E. Read, legal adviser of the Department of External Affairs, was heard, as was Honourable R. L. Maitland, Attorney General of British Columbia.

Representations were also made by counsel on behalf of several Stock Exchanges, the Montreal Curb Market, the Toronto Board of Trade, the Prospectors and Developers Association of Canada, the Ontario Security Dealers Association and by other interested parties.

Letters, telegrams and briefs were received disapproving of the present form of the Treaty and Protocol, all of which have been either printed in the minutes of proceedings and evidence, or filed.

Your Committee is, however, of the opinion that the Government should consider the advisability of clarifying the Extradition Act in general, and in particular with respect to subsections 26, 31 and 32 of article III, article IX and article XII of the Treaty and of section 1 of the Protocol in accordance with the evidence adduced before the Committee.

Your Committee further recommends that the Treaty and Protocol thereto be reconsidered.

A copy of all printed proceedings and evidence taken throughout Session 1945 by this Committee, together with papers and documents filed with the Committee respecting two proposed resolutions (approval of conventions Nos. 32 and 63—International Labour Organization—Geneva) and the Extradition Treaty and Protocol accompanies this Report.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

MINUTES OF PROCEEDINGS

Room 268,

TUESDAY, December 11, 1945.

The Standing Committee on External Affairs held an executive meeting at 10.00 o'clock. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Adamson, Blanchette, Dechene, Fleming, Fraser, Hackett, Jackman, Jaenicke, Léger, MacInnis, Marier, Marquis, McIlraith, Sinclair (Ontario), and Tremblay.

The Chairman referred to a letter from Mr. Read under date of December 5, 1945, supplementing his evidence before the Committee.

Ordered,—That this letter be printed as an appendix to the minutes of proceedings (*see appendix B to this day's minutes of proceedings*).

The Committee had for consideration from the Steering Committee a draft report which was read by the Chairman.

Mr. Léger moved that this report be adopted as presented.

After discussion, Mr. Jaenicke moved that the following be substituted for paragraphs 7 and 8 of the report, viz:—

On the evidence submitted your committee finds that, according to the interpretation of the word "fugitive" under Canadian law, it may be possible that a person, by initiating in Canada any form of communication directed to another country, might be held to have committed a crime in that other country, and thus be subject to extradition without ever having been present in such country.

The evidence further shows that, according to the laws of the United States of America, no one could be extradited from that country unless he was a fugitive within the ordinary, grammatical meaning of that term, and unless he had been actually and physically present in the United States when the offence was committed.

Your committee further finds that the proposed treaty, in article IX thereof, abolishes the principle of dual criminality which has always been a fundamental principle of any extradition arrangement.

Your committee finds that for the above reasons the treaty violates the principles of Canadian sovereignty inasmuch as it might be possible that a person in Canada could be extradited without ever having left Canada, and without having in any way offended against the laws of Canada or of any of the provinces.

Your committee therefore recommends that before the treaty is ratified the following amendments be made to the treaty and to the Extradition Act:

1. That the Extradition Act, being Chapter 37 of the Statutes of Canada and Article 1 of the Treaty, be amended to define the term "fugitive" as a person who actually and physically was present and committed the crime of which he is accused or convicted, in the territorial jurisdiction of the requesting country.

2. That Article 9 of the Treaty be amended by striking out the words "and it shall not be essential to establish that the crime or offence would be a crime or offence under the laws of the requested country."

The question being put on Mr. Jaenicke's amendment, it was lost on division. After further discussion, and on motion of Mr. McIlraith, it was *resolved* that paragraph 6 of the draft report be deleted.

Mr. Adamson moved that the following be inserted as paragraph 6.

Your Committee feels that the terms of reference do not call for a detailed report to Parliament at this time on the various clauses of the Treaty, nor does it feel that it is its prerogative to suggest amendments to the Treaty and Protocol. However, it feels that sufficient evidence has been produced to enable the high contracting parties to re-draw this instrument of extradition.

Later, by leave of the Committee, Mr. Adamson withdrew his motion.

The Committee agreed to insert the word "however" in paragraph 7 of the draft report.

On motion of Mr. Leger, the report as amended was adopted on division.

On motion of Mr. Marquis:—

Ordered,—that the said amended report be presented to the House.

The Committee adjourned at 11.30 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

APPENDIX B

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, December 5, 1945.

J. BRADETTE, Esq., M.P.,
Chairman, Standing Committee on External Affairs,
House of Commons,
Ottawa, Canada.

Dear Mr. BRADETTE,—I find that, in the somewhat hurried winding up of proceedings before the Committee yesterday, I overlooked one point upon which the Committee might desire to have further information. In case the Committee wants to have this additional information, I am writing to you to bring it to your attention.

The point arises out of suggestions made in the course of the argument in considering clause (b) in the Protocol "Wilful and knowing violation of the laws of the requesting country". It was suggested that "knowing violation" of the laws of the United States might be established by proof of service of a "cease and desist" order, or by proof of service of copies of the United States legislation.

It should not be overlooked that, under our legal system, even a judge would not regard himself as capable of forming an opinion upon a point of United States law, whether Federal or State, even if he had before him copies of the Statutes and arguments by Canadian counsel. He would only form an opinion if he were assisted by evidence from a lawyer familiar with the practice of the State in question and with the Federal laws in practice. It is, therefore, almost inconceivable that a judge could find that a Toronto broker, with a copy of the Security Exchange Commission's Statute and Regulations in his waste-paper basket, would come within the scope of "wilful and knowing violation of the laws" of the U.S.A., regardless of whether he had read the laws and regulations.

With regard to "cease and desist" orders, I think that it is clear that they could have no possible operation in Canada. They are merely instructions from officials who are without authority on this side of the border and whose instructions could properly be disregarded, in so far as this country is concerned, by a Canadian businessman.

Reference might be made to the leading case of *Raphael v. Bank of England*. It is reported in 17 C.B. 161; 25 L.J.C.B. 33. In that question, which was dealing with stolen bank notes, a money-changer at Paris, twelve months after he had received notice of the robbery of the bank notes, took one of the notes at Paris, giving cash for it, from a stranger whom he merely required to produce his passport and write his name on the back of the note. It was held that the circumstance of the money-changer forgetting or omitting to look for the notice was no evidence of bad faith, so as to prevent him from being in the position of a holder in due course. If, for the purpose of a civil proceeding in a civil matter, a money-changer could not be regarded as having knowingly purchased a stolen bank note by reason of a notice furnished to him by the banking authorities, *a fortiori* a businessman in this country could not be regarded as knowingly violating United States laws merely by having received copies of the Statute. It would in all cases be necessary to prove that the accused person had an actual knowledge, to bring him within the scope of this clause of the protocol.

In bringing this point to your attention I should like to repair one other omission on my part. You will remember that the crowding of the adjournment of the Committee prevented me from expressing, in any adequate way, my appreciation of the courtesy which I received from the Committee Chairman, from the members of the Committee, from the Secretary and the reporter, and of the privilege of coming before you and discussing the questions which have arisen with regard to the extradition arrangement.

Yours sincerely,

(Signed) J. E. READ.

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Canada External Affairs, Standing
Committee
SESSION 1946
SESSION 1946

HOUSE OF COMMONS

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1946
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Government
Publications

STANDING COMMITTEE
(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

TUESDAY, MAY 14, 1946

WEDNESDAY, MAY 15, 1946

TUESDAY, MAY 21, 1946

WITNESS:

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946

ORDERS OF REFERENCE

FRIDAY, March 29, 1946.

Resolved,—That the following members do compose the External Affairs Committee:

Messieurs

Beaudoin,	Green,	Marquis,
Benidickson,	Hackett,	Mayhew,
Boucher,	Jackman,	McIlraith,
Bradette,	Jaenicke,	Mutch,
Claxton,	Jaques,	Picard,
Coldwell,	Kidd,	Raymond (<i>Beauharnois-</i>
Coté	Knowles,	<i>Lapairie</i>),
(<i>Matapedia-Matane</i>),	Lapointe,	Reid,
Croll,	Leger,	Sinclair (<i>Ontario</i>),
Diefenbaker,	Low,	Tremblay,
Fleming,	Macdonald (<i>Halifax</i>),	Winkler—35.
Fraser,	MacInnis,	
Graydon,	MacLean,	

Attest

(Quorum 10)

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Attest

ARTHUR BEAUCHESNE

Clerk of the House.

FRIDAY, May 10, 1946.

Ordered,—That Votes Nos. 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 and 56, dealing with External Affairs and referred to the Committee of Supply on March 26, 1946, be withdrawn from that Committee and referred to the Standing Committee on External Affairs.

WEDNESDAY, May 15, 1946.

Ordered,—That the said Committee be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Attest

ARTHUR BEAUCHESNE,

Clerk of the House.

REPORT TO HOUSE

WEDNESDAY, May 15, 1946.

The Standing Committee on External Affairs begs leave to present the following as its

FIRST REPORT

Your Committee recommends

1. That it be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.
2. That it be authorized to sit while the House is sitting.

All of which is respectfully submitted.

J. A. BRADETTE,

Chairman.

(Concurred in May 17, 1946).

MINUTES OF PROCEEDINGS

TUESDAY, May 14, 1946.

The Standing Committee on External Affairs met at two o'clock for organization. The Chairman, Mr. J. A. Bradette, presided.

Members present: Messrs. Beaudoin, Benidickson, Boucher, Coldwell, Croll, Fleming, Fraser, Graydon, Hackett, Jackman, Jaques, Kidd, Leger, Low, MacInnis, MacLean, Mutch, Sinclair (*Ontario*), Tremblay and Winkler. (21).

In acknowledging the honour of having been again elected chairman of the Committee, Mr. Bradette reiterated the good sentiments of the members to Messrs. Graydon Knowles, Picard and Winkler who were delegates to London, England at the Preparatory Commission of the United Nations Organization.

The Chairman referred to the sickness of Messrs. Knowles and Jaenicke and voiced the wishes of the members for their prompt recovery.

On motion of Mr. Winkler, Mr. G. Graydon was elected vice-chairman.

The Chairman read the Orders of reference under date of March 29 and May 10. (*Printed herein*).

The Committee decided to ask permission to print and to sit while the House is sitting.

On motion of Mr. Mutch,—

Resolved:—That the Committee asks leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

On motion of Mr. Leger,—

Resolved:—That the Committee be empowered to sit while the House is sitting.

It was agreed to appoint an Agenda Committee at the next sitting.

The chairman thereupon invited the members present to express their views and offer suggestions regarding the business of the Committee.

The Committee adjourned until Wednesday, May 15 at two o'clock.

WEDNESDAY, May 15, 1946.

The Standing Committee on External Affairs held an executive meeting at two o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudoin, Boucher, Bradette, Croll, Fleming, Fraser, Jackman, Jaques, Leger, Low, MacInnis, MacLean and Sinclair (*Ontario*). (13).

An informal discussion took place on procedure.

It was agreed that the Chairman appoint an Agenda Committee.

The Committee adjourned at the call of the Chair.

Antonio Plouffe,
Clerk of the Committee.

STANDING COMMITTEE

TUESDAY, May 21, 1946.

The Standing Committee on External Affairs met at ten o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudoin, Bradette, Coldwell, Coté (*Matapedia-Matane*), Croll, Fleming, Fraser, Graydon, Jackman, Jaques, Leger, Low, MacInnis, MacLean, Marquis, Mutch, Sinclair (*Ontario*) and Winkler. (18).

In attendance: Right Honourable L. S. St. Laurent, Acting Secretary of State for External Affairs; H. H. Wrong, Associate Under Secretary for External Affairs; S. D. Hemsley, Assistant Administrative Officer, department of External Affairs and L. C. Audette, legal division, department of External Affairs.

The Chairman informed the Committee that he had appointed Messrs. Graydon, Leger, Low, MacInnis and Winkler to act with himself as an *Agenda Committee*. One informal meeting was held.

Pursuant to the orders of Reference, the Committee proceeded to the consideration of the estimates of the Department of External Affairs. *Item 41, departmental administration, was called.*

Right Honourable L. S. St. Laurent made a statement and was questioned thereon.

After discussion on procedure, Mr. H. H. Wrong was called.

The witness gave an outline of the establishment of the Department of External Affairs both at Ottawa and abroad. He was examined thereon and retired.

The Committee agreed to call Mr. Antoine Monette, departmental architect. The Committee adjourned at the call of the Chair.

Antonio Plouffe,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 21, 1946.

The Standing Committee on External Affairs met this day at 10 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: I thank the members of the committee for coming so early in the morning to our first regular meeting. As you gave me the power to do, I have appointed our steering committee consisting of Messrs. Low, MacInnis, Graydon, Leger and Winkler. We had a meeting, of which we did not keep a record because it was a preliminary one. It was decided on that occasion to invite the Right Honourable the Acting Secretary of State for External Affairs. I had seen him before that meeting, and he graciously and readily accepted the invitation, although we all realize that he is very busy, to speak at our first meeting. I also got in touch with Mr. Wrong who accepted the invitation to come here, although we all know that he is very busy in his department. The meeting this morning is practically a preliminary one at which, after hearing the Right Honourable Mr. St. Laurent, we will be finding our bearings for our future activities. I know that for the officials of the department in many instances, if not in all, it will be a strange experience to appear before a permanent committee of the House of Commons. However, I know that they will soon find out that every member of this committee is not only in a receptive mood but also in a mood of absolute co-operation. So without any further preliminaries, I will call on the Right Hon. Mr. St. Laurent. However, before I do that, I believe it would be more in order to call the first item in the estimates which have been referred to us, which is No. 41, departmental administration, \$767,000. I will now call upon Right Hon. Mr. St. Laurent who so kindly accepted the invitation to address our first meeting.

Rt. Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): Mr. Chairman and gentlemen, as you all know, I am just pinch-hitting for the Secretary of State for External Affairs, and I must confess that I do not know very much about this first item of the estimates, departmental administration. I am sure, however, that the officers of the department will be at your disposal at any time and most anxious to secure for you any information which you may require in that connection. As I understand it, the reference of the estimates to the Committee on External Affairs was thought to be a convenient method of making a reference to the committee that would allow it to engage in any activities connected with external affairs that it might see fit to study and to report upon. We all know that the Department of External Affairs has been growing with almost extreme rapidity and, like all things that proceed in that fashion, has been experiencing some growing pains.

Mr. Wrong called by attention to a fact which may be of interest to the members of the committee. In the course of the year the services of an architect, Mr. Antione Monette of Montreal, were retained by the department with a view to having him visit the South American countries. And the intention is to have him also visit European countries for the purpose of investigating the situation and determining what it might be advisable to do, in view of the policy of Canada and the department, to maintain foreign representation in those countries on a sort of permanent basis. It has been found extremely difficult to get proper quarters for these Canadian representatives abroad, and the question arose as to

whether it would not be advisable, instead of paying out what sometimes appear to be almost extravagant rentals for premises more or less well suited to our purpose, to consider the investment in permanent quarters for our representatives. That would seem to be in line with our general trade policy of making Canadian dollars available to prospective purchasers, to extend our exports. We have been making very substantial loans to prospective customers, and it has been felt advisable to thus make Canadian dollars available to them. But if there are purposes for which Canadian dollars could be usefully expended for permanent investment, that would assist in the same process of making the means available for the extension of our foreign trade. I thought it might be of interest to the committee to bring to its attention the fact that this architect has toured the South American countries and would be able to describe to you, if you are interested, the conditions he found there and give you some indication of the kind of report he was going to submit; and if it is found desirable to make expenditures for permanent establishments in foreign countries, I think it will be very desirable to have all the facts bearing upon the project known to the committee and to the House, so that the public may feel assured that Canadian funds are not being used outside of the country except for good reasons. This committee will certainly be a more convenient forum in which to go into the details of those things than would be the House of Commons itself.

That is one aspect about which I am sure investigation by the committee would be extremely helpful and useful. I am not suggesting that there are not other fields as well. The officers of the department will be prepared to make available to the committee all information that can be disclosed on foreign affairs. Of course, there are certain international rules of etiquette that have to be observed while negotiations are in progress; but I feel confident that the committee will not find any resistance among the officials to making available all such information as might be of value for the purpose of helping the House of Commons in the decisions it will have to come to about any of these problems confronting Canada and the Department of External Affairs for the implementation of Canadian policy.

If there are any questions which any member of the committee feels that I might be in a position to answer now, I shall be only too happy to do so, but I do not want to uselessly take up your time. There are many matters that it will be of value to the body politic to have looked into, considered and reported upon by the committee.

MR. FRASER: Mr. Chairman, I should like to ask a question of Hon. Mr. St. Laurent. Is it the intention of the government, when they put up a building in, say, the Argentine or in Chile, to put it up as a Canadian building? What I mean by that is will it be of Canadian architectural design or will it conform with the South American design?

RT. HON. MR. ST. LAURENT: There has been no policy determined. There has not yet even been a determination that we will go into the field of expending Canadian money abroad for permanent establishments; but the aspect that has been under consideration is to try to have the material things advertise Canada as well as have the men occupying the premises advertise Canada. There has been discussion about the possibility of having not only the architectural features of the buildings representative of Canada but of having typical Canadian furnishings, even to the extent of having for the use of ambassadors Canadian plate; having for decorative purposes things of Canadian manufacture; having in the office of the ambassador Canadian furnishings of perhaps some rather striking design, something that would be noticed by anyone coming in as out of the ordinary in the locality where the premises would be situated. Each one of us has, I think, experienced the fact that if you go into an office and there

is something that strikes your eye, it at once creates an atmosphere. I am just mentioning that because there has been no even tentative decision about it. But the possible advantages of something of that kind have been thought about, and it is the intention in putting some such scheme forward for consideration, to weigh the advantages and costs. Personally, I think that Canadian premises in Buenos Aires, for instance, could be completely supplied with things from Canada. I do not think there are many things that would be required that could not be of Canadian origin and of an appearance that would cause one to enquire "Where is that from?"—something that would arrest attention at once.

Mr. FLEMING: Mr. Chairman, I suppose if we were proceeding with these estimates in the committee of the whole and not in this committee, we would open with some general discussion of policy probably on the first item. I take it from Mr. St. Laurent's statement this morning that he contemplated that the committee would be dealing perhaps with details at the present time. I do not know what the committee's view is about the desirability of general discussion at the outset, but I take it that if it does not occur in the committee, it will have to occur in the House. We actually have not had any discussion in the House on general external policy since last December. I offer this suggestion, Mr. Chairman, that it would be useful now, before we begin a detailed discussion of the several items in the estimates of the Department of External Affairs, if we had a statement—and perhaps discussion following it—from the government as to the general external policy. If Mr. St. Laurent did not come in the expectation of making such a statement this morning, I do not think we would press for any discussion of that kind now; but I would suggest, Mr. Chairman, that it would be helpful to the committee and might in the long run save time both here and in the House if we had a general, but perhaps not too general, statement on behalf of the government as to the policy of the government in relation to external affairs. That would include our relations, I take it, with U.N.O., with the United States, and such matters as the extension of diplomatic representation throughout the world. I mention those as only a few of the matters that might be discussed in the course of a statement which would relate to general policy.

Mr. MACINNIS: Mr. Chairman, dealing with that point, I think it is very important, because it will decide what form our committee work will take. My own opinion is that this is not really the place to discuss the broad aspects of foreign policy. By the reference of the estimates to us, I think we should be limited, or that we should limit ourselves, to the discussion of those estimates. When we report back to the House, I do not think we can avoid a debate on general foreign policy; and I think we would really be not making good use of our time by having a general debate on foreign policy now and then having another one in the House. I do not think if we do that it would be serving the purpose for which it was ostensibly set up, to give us a more detailed idea of the estimates of the Department of External Affairs and expedite the business of the House. I have, of course, no objection to the minister or anyone else making a statement, but I think we would be following the better course if we deal with the estimates and then have the policy emerge as we go along.

Mr. MURCH: Following what Mr. MacInnis has just said I should think that if any general policy were debated in this committee that rather than shortening the discussion there would be a duplication. I should think it is essential and in fact, it is inevitable that we will get a statement of policy arising out of the discussion of particular estimates. I should hope that as a result of what happens in this committee some members of the committee will be able to give a clear enough indication to the Commons as a whole as to what the specific policies are and the general reaction at any rate, of this committee to them in a way which would perhaps satisfy the House and to some degree

eliminate duplication, but I am quite sure that if we were to have the general policy debated here under the circumstances with the minutes being read we would perhaps be precipitating a general and lengthy discussion in the committee of the whole. It is desirable, of course, and we all have that same desire, to get as much information as is possible, but I do not think myself—and I am subject to the opinion of the Minister of Justice—that he could in any general discussion either delimit our discussion on the estimates or foresee what may come up. I should hope that as a result of the information we will receive as we look at these estimates we will either be satisfied or be in a position to carry our dissatisfaction to the general committee where the discussion has to be. I am afraid there would be duplication.

Mr. FLEMING: May I clarify one point? I agree we are not going to have a full debate on external policy here but I do think it may assist us in our approach to the detailed examination of the estimates if we have a statement on behalf of the government as to policy. That statement can be debated further in the House, but I think it would assist us in our approach to the consideration of the estimates. For instance, in matters of departmental administration I think there must be many questions which would be bound to arise in which a statement as to policy would be helpful to the committee.

Mr. CROLL: It occurs to me that any statement that might be made at this time by the Acting Secretary of State for External Affairs might in the light of events have to be completely changed. I think our policy at the present time might well be called formative and fluid. It seems to me that even the American policy is changing from day to day, and other policies are changing constantly. Consequently if we let conditions look after themselves for the time being perhaps by the time our sittings are well on the minister will be able to give us some idea. I am sure that he cannot until such time as the Prime Minister returns and takes the cabinet into his confidence. He cannot decide what Canadian policy is likely to be. At this time it would be premature and might give a misleading tone which is not the desire of the minister at all. I think we ought to get on with our estimates for the time being until such time as the policy crystallizes.

Rt. Hon. Mr. St. LAURENT: If I might make this observation, I do not think that any of the members of the committee want to make any definite determination of what future external policy is to be because as Mr. Croll has pointed out that is subject to almost hourly changes in view of the developments that take place. Probably the committee would wish to have some information about what has been taking place and what has been the attitude taken by Canada in international discussions so as to form its own opinion as to whether that was proper or not, and what it seems to indicate as a general trend.

I would not care to take the time of the committee to attempt to make a report of the international meetings at which we have been represented. I think the press has fairly well covered the ground of what was done at the preparatory commission for the United Nations, at the general assembly of the United Nations, at the Security Council, although we were not a member of that, at the Food and Agriculture International Conference, at the preparatory commission of the United Nations on educational, scientific and cultural organization. Mr. Wrong attended on behalf of Canada the closing meeting of the League of Nations. We are a member of the Combined Food Board. These are things that have been taking place and I am sure that the officers of the department will be only too glad to fill in any gaps that members of the committee may feel were left in the reports that have been published about the happenings in these organizations.

I think as a general policy that of the Department of External Affairs is to try to do its best so that the world may keep out of war. I think that is putting it as broadly as it can be put. Our endeavours have tended in all these international meetings to co-operate in doing the things that appear to be apt to stabilize the very troubled world situation and to avoid the arising of causes that might interfere with the purposes of the United Nations. Mr. Wrong attended the meeting of the United Nations in London during the whole of the period. He attended the meeting following of the League of Nations in Geneva to wind up its activities and to integrate its records and its performances in the past with the future hoped-for performances of the United Nations. Canada was represented at the preparatory commission of the United Nations for the establishment of an educational, scientific and cultural organization. A charter was drawn up there and is now submitted to all the members of the United Nations for their consideration. The Food and Agriculture Conference took place in Quebec. The Canadian ambassador at Washington was conscripted into further service as chairman of that organization. Then there are these less formal, or perhaps less broad organizations, dealing with the collecting of as much food as possible throughout the world for the purpose of having it distributed where it is most needed. In all its activities the very earnest and helpful endeavours of the Canadian representatives have been put forward. There are probably some aspects of those negotiations, discussions and tentative agreements that may not have been fully reported by the press in such a manner as to satisfy every member of the committee that there is not something more about them that he might ascertain from some of those who were there.

It seems to me that might be really more helpful than an academic discussion consisting of set speeches as we sometimes have in international gatherings. They are necessary as a background but I think here that we have most of the background and can proceed constructively.

Mr. JAKES: I understood at our first meeting that this committee was to be used mainly, for the present anyway, for purposes of gaining information on various questions of external affairs. If the opposition is to be in a position to criticize the policies of the government then we must be in a position to know the facts. There are two sides to every question. You do not get the facts out of the press. You only get those facts that we are supposed to know. As far as the officials of the Department of External Affairs naturally their views coincide with those of the government.

I can think of half a dozen questions that are of world importance today, and I would venture to say that in this parliament there is practically nobody knows the truth about them. I suggested at our first meeting that the most useful thing for this committee to do after we have heard the officials of the Department of External Affairs would be to call witnesses from outside. Let us question them. I can mention several matters. There are the questions of Yugoslavia, Spain, Greece. These questions are important for this reason, in my opinion, not so much that Canada is powerful enough to control or even to influence to any great extent, but in external affairs these questions do have a great bearing on our internal affairs. As we judge them so we judge our own affairs. That is to say, if we take sides on any one of these questions then that is apt to influence the thinking of our own people on our own affairs. After we have the workings of the Department of External Affairs explained to us I should be more than disappointed if we are not allowed or if we do not permit ourselves to call in witnesses from both sides of these questions. Let us get at the truth, and then we must assume the responsibility of forming our own opinions. We cannot take them second-hand and made for us. If we cannot do that then we have no business to call ourselves members of parliament or members of the External Affairs Committee.

Mr. LEGER: I believe that the government has given us a direction. The direction was that we were to investigate the estimates of the Department of External Affairs.

Mr. JAKES: Do you think that is all we should do?

Mr. LEGER: I do not think we should go much beyond that. I think we should start with them, and if we want any information on any item then we have the departmental officials to give us any explanation that we may desire. I think that should be our procedure.

Mr. MARQUIS: The order of reference provides only for the items mentioned. We have items 41 to 56. We cannot discuss the policy at large and try to establish a program for External Affairs at the moment. What I would like to do is, as Mr. Leger has said, to discuss these items. I do not want to discuss the other matter now. Perhaps later we may be given another order of reference, but we cannot go further for the moment.

Mr. Low: With respect to the opinions of my colleague to my right I must disagree. That is a narrow view to take of the study of the estimates. Actually the practice always has been to allow the closest possible discussion and latitude when item 1 is called, and so far as I am concerned I hope the committee will take the fullest possible advantage of that latitude and do whatever they think is wise with respect to the discussion of policy or anything else that may come within the confines of this department.

Mr. COLDWELL: It seems to me there are two items here which open up the whole discussion if we want to do so: administration and representation abroad. To endeavour to limit our discussion merely to the internal workers of the department and the salaries of the people overseas I do not believe is correct procedure; I do not think we would have any difficulty at all in getting all the information we want as we go over these items.

Mr. JAKES: Where do we get it from?

The CHAIRMAN: From the officials of the department.

Mr. COLDWELL: We can question the officials of the department. We can question the Acting Secretary of State for External Affairs on the policies he is following. When he returns to Canada I should think that the Prime Minister, who has been the Secretary of State for External Affairs for a long time, would be accessible for inquiry. If we feel that there is someone we would like to call other than the departmental officials we have within this order the right to call them.

Mr. JAKES: Last year in this committee we investigated the Extradition Treaty. We did not limit ourselves to calling officials of the Department of Justice, we sent out for witnesses. We called witnesses on both sides. If we do that we can formulate our own opinion. I do not want second-hand opinions. We have responsibilities to assume.

The CHAIRMAN: I am glad Mr. Fleming brought up this matter. Personally I am very glad that we have received this order of reference which is almost unlimited in its scope, and as far as I am personally concerned I am not going to remain satisfied to remain within the orbit of the items themselves, because they open up the whole horizon of External Affairs policy. It is the duty of the members of this committee actively to express their own views on External Affairs. We all remember what a wonderful discussion we had on the San Francisco Conference when fine speeches were made, but most of them were academic; we were dealing in abstract things. But we can all see that this is going to be different when we are dealing with External Affairs which is in a somewhat fluid state at the present time. I agree with Mr. Jakes that

we may have to call witnesses. Of course, we have no money at our disposal, but if some men have to come here at our expense they should be allowed to come; there is no doubt about that.

In dealing with the Extradition Bill last year we did call witnesses but they did not cost the government a cent. Our order of reference last year was not so broad and we were limited in the scope of our activities, but we can go ahead now and bring up any matter we wish to deal with in connection with External Affairs. I am positive that we are in a happy position today.

Mr. Mutch: We are creating our own difficulties. We have everything we need to go ahead, so let us go ahead.

Mr. Fraser: Mr. Chairman, I understand that Mr. Wrong has a statement to make, so why not hear his statement? Some of the officials want to get back to their offices, and if we want to hear them later we can call them. Mr. St. Laurent has mentioned a few things which we might want to take up later, and Mr. Wrong might drop something which would give us a lead.

Mr. Low: Mr. Chairman, may I express the thanks of the committee to Mr. St. Laurent for coming here this morning and giving his time.

Right Hon. Mr. St. Laurent: If at any time I can be of any further assistance to the committee I wish you would let me know through the chairman and I shall be pleased to attend.

The Chairman: Now, gentlemen, it is our pleasure to have with us this morning Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs. We have also with us Mr. L. C. Audette, of the legal division, and Mr. S. D. Hemsley of the administration office.

Mr. H. H. Wrong Associate Under Secretary of State for External Affairs, called:

The Witness: Mr. Chairman, I was summoned to one of the first meetings of this committee after its organization last year, and today, as on that occasion, I have no prepared statement to make. I understood from the chairman, when he requested me to attend this meeting, that the main purpose of the meeting to-day was to set the program for the committee's work during this session and to determine what order of priority you wish to follow in having information brought to your attention. The department will, of course, do its best to meet your requests and requirements for information, but in a good many instances it will require advance notice so that we shall be sure that we are giving you accurate and up-to-date statements of facts in response to any inquiries made by members of the committee. At the present moment I may say that we are a bit hard pressed. My colleague, the Under Secretary, is, of course, in London with the Prime Minister, and it so happens that there are this week no fewer than four different meetings of international bodies going on simultaneously apart from the commonwealth consultations in London at which senior officials of the Department of External Affairs are represented. For example, there is the Provisional International Civil Aviation Organization which is opening this morning in Montreal; there is the Food and Agricultural Organization which is holding a special conference of the member states which are most interested in the international traffic in food, both as consumers and producers, and that also is opening this morning in Washington. In addition to those, the governing body of the International Labour Office is meeting currently in Montreal, and the Economic and Social Council of the United Nations begins its second formal session in New York, on Friday, with preliminary committee meetings in

advance of that session. I mention these facts to show the range of activities which we have to provide for and the problems which the department has to face in seeing that we have suitable delegations. Of course, most of the members of these delegations to these technical bodies do not come from my department, but we have to be represented on them all; we have to see that the requisite preparations are made, the physical and technical arrangements, and that the information is available to the various delegations.

I do not know, Mr. Chairman, whether I can enter into any very general discussion, but if it suits the convenience of the committee I shall try to deal with questions which members of the committee might wish to raise.

Mr. FRASER: I had a return tabled yesterday which showed that during the last six months there were 101 people added to your department. Perhaps you could give us a little idea of why these people were added and to what sections of the department they were added, and what work they are doing. That would give us a kind of outline.

Mr. COLDWELL: Could you give us something of the organization of the department?

Mr. FRASER: Yes, that is the idea. Let us find out what is what and why it is.

The WITNESS: I shall refer to the department itself, first, perhaps, to clear away any possible ambiguity. After all, when the department is referred to the reference is to the departmental establishment in Ottawa, and then there is the whole establishment of the department which includes its missions abroad. I have some figures here on the whole establishment of the department.

Mr. COLDWELL: Could you give us both: the departmental administrative end here and then tell us something about the external end?

The WITNESS: I am afraid I did not come with the figures set out exactly in that way. The actual figures on which the estimates were based for the department itself show a total of 303 employees.

Mr. FRASER: That is a little more than last year. How many more than 1945?

The WITNESS: I have not got the figures broken down as between the department and the missions abroad on a comparative basis as yet. I can get that information, but I would have to have notice of it.

Mr. COTE: Could Mr. Wrong give us a picture of the organization, showing the position of Canada on these various bodies concerning international affairs?

The CHAIRMAN: Before Mr. Wrong answers may I say that we should be fair to Mr. Wrong. As he told you when he started, I asked him if he would come to our first meeting just to give us a direction as to the possibility of getting some of his officials to come here and enlighten us on the way we should get started in our activities—just a matter of procedure for calling witnesses rather than for asking questions. If it is satisfactory to Mr. Wrong to answer these questions that is quite all right.

The WITNESS: I can give the information of the breakdown between those stationed in Ottawa and those stationed abroad, but I do not know how far back you wish to go. I could start with August, 1939, on a comparative basis.

Mr. COTE: May I make a suggestion? Could we have a graph made with a note explaining the position of Canada in the setting of these various international bodies? That could be made available to the members and would show the general broad view with regard to Canada in international affairs.

Mr. COLDWELL: Are we not discussing two different things? What I had in mind was to get some information with regard to administration in Ottawa and our representation abroad, after which we would get down to the point you have in mind which has to do with our representation on various international organizations.

Mr. COTE: Do you not think we would be in a better position with regard to these various bodies on which we are sitting if we had a graph of some kind, a general picture?

Mr. COLDWELL: We need all that information: the administration at Ottawa and the various embassies and so on, and we could probably have that shown graphically, but I believe that Mr. Wrong is not prepared to do that this morning, and we might as well have what information he has.

Mr. FLEMING: Would it not be better to give Mr. Wrong the opportunity of preparing a graph? I think that will save time and we will get more information than we will by asking questions, and we will be proceeding in a more systematic manner. We could ask Mr. Wrong to prepare for us in due course a graph which will mean more to us and we will always have it before us, and we can ask questions based upon that graph.

The CHAIRMAN: To be fair to Mr. Wrong, may I say that I did not ask him to come here this morning to answer questions.

The WITNESS: I can deal certainly with the departmental establishment. I must say, Mr. Chairman, that the prospect of seeking to reduce the Canadian relationship and the international activities to a graph or chart fills me with trepidation. It is somewhat of a technical matter to make a graphical representation to show in any way that would be illuminating to the committee the relationship of Canada to such adverse bodies as International Labour Office, the Economic and Social Council, the International Provisional Civil Aviation Organization and so on. I think it would be much easier for us to start simply by going over a list rather than trying to put the information in graphical form.

Mr. COLDWELL: Suppose we get the list and see afterwards if it can be put in graphical form?

The WITNESS: I think if the committee could find an easier way of doing it it would be of interest to the department.

Mr. FLEMING: On the matter of the administrative establishments of the department, I think it would be helpful, if it is not going to be too big an undertaking, if Mr. Wrong could start with the war, because I imagine we will see a tremendous increase commencing with the war and continuing right through.

The WITNESS: I can begin with the personnel employed in Ottawa. I can start from 1939 and give you the information for each year up to 1945 and in March, 1946. I can also give figures for the missions abroad later, if that is desirable. These figures I am going to give include both permanent and temporary employees of the department, and they include those employed in the Passport Office. The figure in August, 1939, was 68; in August, 1940, it was 202; in August, 1941, it was 203; in August, 1942, it was 206; in 1943 the figure was 209; in 1944 it was 223; in August, 1945, the figure was 238, and in March, 1946, it was 287.

Mr. FLEMING: Is that a breakdown as between permanent and temporary employees?

The WITNESS: For all those years.

Mr. FLEMING: As between permanent and temporary?

The WITNESS: The figures are as follows:

Year	Permanent	Temporary
1939	51	17
1940	54	148
1941	54	149
1942	52	154
1943	54	155
1944	54	169
1945	54	184
1946 (March)	58	229

Mr. COLDWELL: There was not very much increase in the permanent staff?

Mr. JACKMAN: Does that include the clerical staff?

The WITNESS: That is everybody from girl messengers up.

Mr. JACKMAN: Why have you not given some of the temporary help who have given perfect satisfaction over a two or three-year period permanent appointments?

The WITNESS: We are in the process of doing that as quickly as we can do it. I believe that course has proved satisfactory.

Mr. COLDWELL: How many of those temporary employees in 1939 have been employed for more than, we will say, one year?

The WITNESS: I have not got that information with me.

By Mr. Coldwell:

Q. Have you people on the staff who have been temporary employees for any considerable length of time?—A. I believe we have some, yes, operating under a class in connection with establishments which were embassies during the war.

Q. Particularly before the war?—A. The first figure I have given is for August 1939, and it has been difficult to make people who were temporaries at that time permanent during the war.

Q. In 1939. I am talking now of the department, and the large number of people who are temporary employees and who have been on the staff for a number of years. I am wondering if that situation exists in the Department of External Affairs.—A. To some extent, I believe so. We only had 17 temporary employees at that time.

Q. I notice that. I was wondering how long they had been temporary employees?—A. I cannot answer that at the moment.

Q. Most of us are interested in this temporary employee category.

Mr. FLEMING: These figures that Mr. Wrong has given us are figures which are inclusive of the administrative staff at Ottawa and the offices abroad, are they?

The WITNESS: Entirely at Ottawa.

Mr. FLEMING: I understand that Mr. Wrong will supply the other figures.

The WITNESS: Yes, I have them here. I can give them to you now. These are the figures for the missions abroad. This covers the total establishment of missions abroad. It includes certain local employees who are not of Canadian nationality—people such as messengers. We have to engage them locally, in some cases, although our general policy has been, certainly as regards positions such as confidential employees, always to employ Canadians.

Mr. FLEMING: These are all Canadian nationals, are they?

The WITNESS: No, this is a gross figure of those employed at Canadian missions abroad. I will give the gross figures first as to permanent employees

Date	Permanent	Temporary	Total
August, 1939	60	46	106
" 1940	56	55	111
" 1941	50	98	148
" 1942	44	98	142
" 1943	55	198	163
" 1944	74	125	199
" 1945	82	178	260
March, 1946	85	230	315

By Mr. Marquis:

Q. Isn't that a mistake there? You said 230?—A. 230 temporaries and 85 permanents.

Q. There are many more temporaries than permanents?—A. Yes, that is inevitable abroad because we have a certain amount of locally engaged labour which must be temporary.

Mr. LEGER: I presume that the increase is caused by having opened new embassies?

The WITNESS: The biggest jump we have comes between August 1944 and August 1945 when we added 61 to our strength abroad, and that is, as you suggest, caused by the liberation of Europe and the beginnings or opening of missions on the continent of Europe as well as certain establishments which are now missions in other countries.

Mr. COLDWELL: Would they include high commissioners?

The WITNESS: All the offices there: embassies, legations, consulates, etc.

The CHAIRMAN: I feel that the majority of the members expected that this meeting would last about an hour, I think we can get through in a few minutes; because I would like to get some advice from Mr. Wrong as to the calling of the officials. What would be the best way to proceed?

The WITNESS: Much really depends on which particular facets of departmental activities the committee wishes to go into.

Mr. COLDWELL: Could you give us the subdivisions of the department and perhaps name the head of the subdivision, and in that way we will get an idea of the people who are there, and some of those we will want to call.

Mr. COTE: He could give us a general picture of the set-up from memory.

The CHAIRMAN: We will need that, but at the moment I would like to get some help from Mr. Wrong so that we will understand the situation which confronts us.

Mr. COTE: He could give us a clear-cut picture of the whole organization.

The CHAIRMAN: That is what I am trying to get from Mr. Wrong now.

Mr. FLEMING: Mr. Wrong would want to do that himself; he did it last year.

The WITNESS: I think to give a complete picture of the whole organization will be the responsibility of either Mr. Robertson, who is away in London, or myself. Mr. Hemsley, who is the assistant administrative officer, has not been with the department long. Unfortunately, Mr. Matthews, the chief administrative officer, has been ill since last autumn, and while he prepared these estimates under Mr. Robertson's supervision, he is unable to appear before the committee or indeed to take any part in departmental work for

several months longer. I am at a handicap because I had nothing to do with the estimates in their present form, nor had Mr. Hemsley, but I think we can meet any requirements of the committee.

Mr. COLDWELL: In order to get the idea of the establishment of the department would it not be wise now to get the subdivisions of the department?

The WITNESS: Well, we have subdivided the department, but I must say it is not a fixed or permanent division, because it changes according to the pressure of work which shifts rather constantly and has shifted a great deal in recent months. We have the department divided into eight operative divisions. The administrative division, in addition to the Under Secretary's office—the administrative division contains the largest proportion of all personnel, because the accountants, records, code and cipher branch and so on are all in that division. In mentioning the other divisions I would like to say that in respect of the officers at the present time the arrangement that governs that division in the department is on an experimental basis and subject to constant alteration. We have stuck to the divisions, and I will give you them pretty accurately for the last year or so, but we may change them. They are simply called by numbers, 1st, 2nd and 3rd.

The responsibilities of the divisions are that the 1st division is concerned with general questions affecting international organizations and with the conclusion of peace treaties and so on which concern several countries and several other departments. It is largely a clearing group, although it does a certain amount of initiation. The United Nations Organization provides it with its largest segment of work at the present time. The 2nd political division is on a geographical basis, and it has rather a large territory which includes the continents of North and South America; that is the United States, Newfoundland and the Latin American countries, and the Far East. By the way, that is the 3rd division; I said it was the 2nd. Now, the 2nd political division deals with European affairs and also with the affairs of the British Commonwealth and takes in African affairs, which did not give rise to a great deal of work in the department. These are the three political divisions.

Then there is the legal division.

By Mr. Coldwell:

Q. Will you define for the record what you mean by a political division?—

A. It is rather a difficult definition and one which has taxed the ingenuity of political scientists since the time of Aristotle to define.

Q. What is your understanding of it?—A. I cannot give a definition; I can indicate the functions of these divisions in a negative way, but I cannot give a positive definition. These which clearly do not fall within the scope of the legal division, the economic division, are handled by the political division concerned; it deals with political affairs; it is concerned with following the course of events in countries and keeping our missions up to the mark, and of course keeping them continuously informed on political happenings in the territory covered.

The CHAIRMAN: It has nothing to do with actual politics?

The WITNESS: Not Canadian politics, Mr. Chairman; but it has a great deal to do with politics in foreign countries.

Mr. GRAYDON: Anything that falls into the residue is called political?

The WITNESS: I would not like to endorse that statement, Mr. Graydon.

Mr. COLDWELL: Almost anything except those matters which are legal or economic?

The WITNESS: That is how it operates in practice. An economic matter goes to the legal-economic division, and there are certainly technical matters to which

I will refer which go to them. Obviously there is no clear dividing line. You can divide a legal or an economic matter from a political matter, and they have to operate in different channels through internal liaison. We have weekly meetings of the chiefs of the divisions for this very purpose of ensuring free and adequate internal liaison between the divisions.

I mentioned the legal division and economic division as the technical divisions. In addition, there is the diplomatic division which concerns itself with questions of a diplomatic character in Ottawa, with the formal questions connected with the opening and accrediting of our representations abroad. That is what is known in the trade as protocol. It also has under its general supervision the passport offices, and handles a great many questions relating to travel and matters of immigration and so on, in as far as they are the concern of the Department of External Affairs.

Then there is the treaty division which is concerned with the registration and publication of treaties and international agreements; it is a small division.

And then there is the information division which is one of the more recent creations and which is largely concerned with meeting the needs of our missions abroad for information about Canada, and also it is our direct means of constant contact and cooperation with Canadian Information Services.

Those are what you might call, outside of the administrative branch, the operating divisions of the department at the present time.

By Mr. Fleming:

Q. Could you give us these others?—A. Economic is the other, and then administrative is another division.

Q. I do not know whether you want at this point to go into the details of this breakdown. I would be interested in hearing further about the last division, that is information, with relation to Canadian Information Services. I do not know whether this is the point at which to do this.—A. I suggest it might be desirable, Mr. Chairman, if that were left for the present, and perhaps some member of the information division could appear before the committee.

By Mr. Coldwell:

Q. How many overseas representatives have you; how many are high commissioners and how many are ambassadors and how many are charge d'affaires?—A. We have six high commissioners' offices. We have no office called charge d'affaires. Even if he is not an ambassador or minister the person in charge is a charge d'affaires. There are six high commissioners' offices. There are fourteen ambassadors and legations. We have them lumped together; three legations and eleven embassies. In addition there is what you might call a semi-diplomatic office, a military mission in Berlin in which members of my department serve and are accredited to the control council in Berlin; and we have a consul general in New York and a consulate in Lisbon, and there is a small office which we are about to close, which was set up in war time, in Greenland.

Q. Where are the six high commissioners' offices?—A. The commissioners' offices are in the United Kingdom, in Australia, in New Zealand, in South Africa, in Ireland and in Newfoundland.

Mr. COTE: How many consulates have you got?

The WITNESS: The consul general in New York is the only large consular office which we have. We have recently established a consulate in Lisbon, and we have a small office in Greenland. We shall probably open shortly some Latin American offices in countries in which we have no diplomatic missions. Usually a trade commissioner is appointed consul.

Mr. COLDWELL: We have nothing on the Pacific coast of the United States around Los Angeles and San Francisco?

The WITNESS: No. Diplomatic missions: The embassies are in the Argentine, Belgium, Brazil, Chile, China, France, Greece, Mexico and Peru. The legations are in Cuba, Netherlands and Norway. I left out the U.S.S.R. and the U.S.A. in connection with the last list—two of the most important of the embassies.

Mr. GRAYDON: I do not know whether this is the right time to ask this question; it may be that you would want someone else to deal with it. We have a new citizenship in Canada, and I would like to ask if the British consular services in various parts of the world will give service in the same way now to Canadian citizens as they would in ordinary times to British subjects? The situation is changed now and it may be that you do not want to answer that question at the moment. I think it is a matter which is giving some concern as to our position in connection with the consular services, because prior to this we were all lumped under the term "British subject". Now we have adopted a Canadian citizenship. What I would like to know is whether the British consular service will give now the service to Canadian citizens that it did to Canadian-British subjects in previous times?

The WITNESS: Mr. Chairman, there is a prophetic element in that, but I have no doubt myself whatsoever that they will.

Mr. COLDWELL: Under section 26 of the new Act a Canadian citizen is a British subject.

Mr. GRAYDON: That is so. The only thing is that we have not got the right in Canada by simply putting in our statute that a Canadian citizen is a British subject to say that the British consular service shall do so and so except by agreement between this country and the British.

Mr. COLDWELL: That is why some of us thought we should define a Canadian national as a subject of the King.

Mr. FRASER: Mr. Read answered that question last year.

The WITNESS: There is no suggestion from any British experience that there will be any change in the situation. I am quite positive that it will continue.

Mr. GRAYDON: A rather keen student of international affairs wrote to me in that regard.

The WITNESS: I think you can say that if the British government had chosen to change its entire policy it could instruct its consular offices not to do this, but I think there is no chance of them doing it.

Mr. JAKES: May I ask whether it has been the custom for the American consular officials in England to fingerprint Canadian citizens returning from England to Canada through New York?

Mr. COLDWELL: Is that done?

Mr. JAKES: I am asking Mr. Wrong.

The WITNESS: I cannot give you a definite answer. I think the answer is—but I must say that I do not know—that the American visa requirements do now impose a regulation of fingerprinting before the issuance of a visa. That is their own general rule. They require a fingerprinted visa for someone returning from overseas to Canada via an American port. The transit visa has been in force for a long time. The fingerprint was a wartime measure.

Mr. COLDWELL: It was not effective in 1941 because we came from England and we were not fingerprinted.

The WITNESS: It started after Pearl Harbour when they were checking more closely.

Mr. FRASER: If you get a visa in Canada from the United States you have to be fingerprinted.

The WITNESS: You do not need a visa to go to the United States unless you want to stay there for a long time.

Mr. LEGER: In 1941 I went to the United States and I was not fingerprinted.

Mr. JAUQUES: I would like to be sure of this because two years ago I spent the winter in England, and I was coming back through Halifax, but at the last moment in Liverpool the ship was transferred to New York, and I had to spend a day getting my identifications of all kinds, and I had to go to the American consul in Liverpool, and I think I covered enough paper to spread over this table with my fingerprints. I did not even sleep in New York. I was there only long enough to catch a train. Last week-end I spent Thursday, Friday, Saturday and Sunday in Detroit and there were no inquiries. I went there and back again.

Mr. FRASER: Mr. Chairman, this last visit to the States was less than twenty-nine days, but if you are staying in the United States over twenty-nine days you have to have a visa with the fingerprints.

Mr. JAUQUES: When I came back from England my stay in the United States was not more than three or four hours.

Mr. BEAUDOIN: Mr. Chairman Mr. Wrong stated that his department has eight operating divisions. Is it the intention of the committee to have the heads of those divisions appear before the committee?

The CHAIRMAN: That will be left to the steering committee of the committee to decide and on the advice from Mr. Wrong; because I must repeat in fairness to Mr. Wrong that we should try to see what our procedure will be for the subsequent meetings.

Mr. GRAYDON: May I make this suggestion? We are dealing with the estimates of the Department of External Affairs. As we come to each item on the estimates it will probably be essential that the head of each particular division should be here, but we should not bring them all here to start with in the general scheme. I think Mr. Wrong, who has a thorough understanding of the department, will be sufficient for us in the general sense, but as we come to the various items concerning the department the other heads can be brought before us. I believe that would be a practical way of handling this matter.

Mr. COLDWELL: As I understand the matter, the trade commissioners are entirely separate and apart from the embassies?

The WITNESS: No.

Mr. COLDWELL: And the high commissioners and so on?

The WITNESS: A general policy which has been agreed upon in the department is that where a trade commissioner is established in the same capital as the Canadian high commissioner's office or embassy or legation, the trade commissioner becomes commercial consul, attache, or secretary of the staff of the high commissioner. That does not prevent him corresponding with his own department. I think we have a technical arrangement for the division of responsibilities. The chief of the diplomatic mission is really, under international law, responsible for the activities of the officials of his government in the country concerned—the general responsibility—and if things go wrong he can be blamed by the government of the country to which he is accredited. They are not always housed in the same offices because, as Mr. St. Laurent said in his opening remarks, one of our most acute problems is housing, and it is a problem which, I think, is causing us almost as many headaches as any other branch of administration. I would follow that up for a moment and point out the nature of the administration imposed on the Department of External

Affairs in comparison with other civil departments whose operations are confined wholly or almost wholly to Canada itself—we are not a large department, but the task of administering missions in twenty or more countries under present conditions of extreme congestion in every capital, together with the constant variation in cost of living in most capitals, is a very difficult one.

Mr. GRAYDON: Brussels, for example.

The WITNESS: Yes, the cost of living in Belgium is high. I was reading a report on the rise in the last six weeks in Brussels, and Brussels is not the worst by any means. That gives us an administrative task of peculiar complexity and really makes absolutely necessary a good deal of flexibility—perhaps more than in the case of most departments—in regard to questions of allowances and so on to see that our people are able to operate.

Mr. JAUQUES: Would not the increase in the cost of living be offset by the increase in the rate of exchange in Canadian funds?

The WITNESS: Not under present conditions in most countries. In a great many countries at the present time the official rate of exchange undervalues the Canadian dollar.

Mr. COLDWELL: What staff have you in these commissioners' offices?

The WITNESS: We haven't got it all sorted out in a convenient table, but I could answer questions about particular missions. The staff in London in March was 78 all told.

Mr. FLEMING: Does that include Canada House staff?

The WITNESS: That is Canada House staff. They are all employed in Canada House. In Australia it was 11; New Zealand 6; South Africa 7; Ireland 7; Newfoundland 6. That covers the high commissioners' offices.

Mr. FLEMING: Probably you could go over the embassies and legations and give us the corresponding information there.

By Mr. Coldwell:

Q. The trade commissioners are in close touch with the high commissioners. Trade commissioners are not included in that?—A. No, it does not include other people on the high commissioner's staff where there are attaches who are not shown on our estimates but on the estimates of the Department of National Defence. Some of them, as a matter of fact, are from other departments.

Q. These are your own?—A. These are all people on our own payroll. In Washington there are 33. In Rio de Janeiro there are 12 and in Moscow there are 13 and in China there are 14.

Mr. GRAYDON: How does that 13 correspond to the Soviet representation here in Canada? I take it it is somewhat larger here?

The WITNESS: Yes, it is somewhat larger. In Moscow it is 13; in Peru, 8; in Chile, 8; in France, 27; in Belgium, 16; in the Argentine, 10; in Greece, 5; in the Netherlands, 12; in Norway where we have recently opened our mission, 5; in Cuba, 7.

As regards consulates: New York, 9; Greenland, 1. This is an office we are about to close; it was established in war time; in Portugal, 2. By the way, I should add that it does not appear in the official list, but the latest legation is in Denmark, because Mr. Kearney, who is the minister in Oslo, has also been accredited to Denmark, although he has not got a separate establishment in Copenhagen as yet.

Mr. COLDWELL: How are the employees recruited?

The WITNESS: One has really to make some distinction between the diplomatic staff and the clerical and administrative staff. We have an inter-

changeable service between the department and the missions abroad. We are constantly moving people from Ottawa to the field and from the field back to Ottawa, and barring those who have been taken on temporarily during the war and have not been made permanent, they are recruited by open competition through the Civil Service Commission for the permanent members of the staff. That covers practically the entire staff of the diplomatic mission except that in certain cases the heads of the mission, several of the chiefs are members of the permanent service.

Mr. GRAYDON: May I ask a question with regard to missions of other countries in Canada? Has the Department of External Affairs any information as to the numbers attached to the various missions of other countries in Ottawa—for instance, the United States, the United Kingdom, Russia and other countries?

The WITNESS: Yes, if they employ a foreign person there are various means of getting that information. We have to know when he comes here, when to record him as a member of the mission, and to secure for him the requisite—the immunities which he has as an accredited member of the mission. If they employ Canadians we have not got that means. We also require from time to time in every mission in Ottawa that they give to us a numerical roll of all their employees, anybody who is not a Canadian national, showing also the wives and children.

Mr. COTE: Are there employees of the Department of Justice in our missions abroad who do not appear in your estimates?

The WITNESS: I do not think there are any employees of the Department of Justice attached to our missions, no.

Mr. Low: What do the diplomatic immunities consist of?

The WITNESS: Under international law the immunities of diplomatic missions are extensive indeed: immunity from all forms of direct taxation, and indeed some forms of indirect taxation such as customs privileges and the right of free importation; then there are the immunities from either criminal or civil processes in the country concerned. I cannot give offhand a complete list of the immunities. They are covered by widely and universally recognized rules of international law, although, as in all questions of law which rest on what is customary, the right to use codes and ciphers and freedom from censorship are covered.

Mr. COLDWELL: What classes of personnel in these missions are given these immunities? Our own nationals employed by embassies would not be given diplomatic immunity; is that right?

The WITNESS: That is one of the moot points, as to how far the immunity of an embassy covers the members of the staff even if they are members of the nationality concerned. There was one act in Ottawa having regard to diplomatic immunity over a small civil suit for a Canadian employee who was a furnace man.

Mr. COLDWELL: Was that successful?

The WITNESS: I do not recall it now. It is not a matter of great importance except as a curiosity.

Mr. GRAYDON: Coming back to the question of positions belonging to a mission in Canada, is there any limit placed upon the numbers that any mission can send in to be attached to their embassies?

The WITNESS: No; there is no limit. One could complain if one felt an excessive number of people were being brought in in view of the functions of the mission—one could take it up with the government concerned. There is no way of establishing an automatic limit.

Mr. FLEMING: May I ask if any such complaint has ever been made by the government of this country?

The WITNESS: Not as far as I know.

Mr. FLEMING: Mr. Chairman, Mr. Wrong indicated that there is, perhaps, a record kept from time to time as to the personnel of the staffs of the various missions in Ottawa, and could he indicate when the last one was made, and if it would be possible to furnish the committee with the numbers—I do not say the names?

The WITNESS: I am not quite certain how recently the list was made. We do it periodically—I think about every two months we request a list; the last one would have been made in 1946.

Mr. FLEMING: I think it would be interesting for us to know the numbers.

Mr. BEAUDOIN: When was the last international conference at which this rule of immunity was discussed?

The WITNESS: We discussed it at London at the first assembly of the United Nations. Indeed a draft convention was adopted at that time for submission to every government to try to place on a comparative basis the immunities granted, not so much to diplomatic missions as to international organizations throughout the whole field. The two things are overlapping and synchronized to a certain degree. We have that under examination now in Ottawa to see how it fits in with our practice and to see whether it is possible for us to submit it to parliament for approval. I am not sure that it is because of the question of provincial jurisdiction.

Mr. FLEMING: Nothing has been finalized yet?

The WITNESS: No. This was simply a draft submitted to the government for consideration.

Mr. GRAYDON: This is simply a draft agreement?

The WITNESS: There are two draft agreements. One would really be an agreement between the United States of America as the country in which the headquarters of the United Nations is situated and the United Nations Organization which require obviously special consideration. There was a similar agreement between Switzerland and the League of Nations. The other is a multilateral convention between the members of the organization concerning privileges and immunities to be given to the organization as such.

Mr. GRAYDON: I was not very clear whether we were going to get the information that Mr. Fleming asked for as to the numbers of those attached to each of the missions in Canada of the various foreign powers.

The WITNESS: We can furnish that, I think; yes.

Mr. COLDWELL: We will have to have Mr. Wrong come here again.

The CHAIRMAN: Mr. Wrong, will you be able to come back at our next meeting?

The WITNESS: It will depend upon when your next meeting is.

Mr. FLEMING: In view of the pressure of work this week I do not think we ought to attempt to hold a meeting this week, but it seems to me that we should carry on with Mr. Wrong at our next meeting. There is certain further information which Mr. Wrong is going to give us, and I think, therefore, it would be helpful to carry on with Mr. Wrong when he has completed the information which he is going to furnish the committee. We can then go on with some of the other officials if we require detailed information.

The WITNESS: I would like to commend to the committee the suggestion of Mr. St. Laurent that Mr. Monette, the departmental architect, appear before the committee. As Mr. St. Laurent indicated, the housing problems are extremely acute. We do not own many premises abroad at the present time,

and we have to rent premises and often pay inflated rentals, and the problem is what we should buy when costs are reasonable—and costs are inflated sometimes—with a view to saving public funds over a long term, as well as assuring our representatives that they have a place to live. Mr. Monette has been in London and in Washington and he can speak with some assurance with regard to conditions. In the estimates we only have the sum of \$150,000, which probably would not buy one embassy or high commissioner's office in any capital—that is an exaggeration—but in most capitals; and if we spend it all in one place it would not provide us with premises owned by the Canadian government.

Mr. FRASER: You feel that the committee should deal with the matter in case you want to put something else in the supplementary estimates?

The WITNESS: The economical thing would be to have a fund available which could be drawn on over a period of years rather than to have an annual estimate, and opportunities could be taken advantage of as they arise. One may find oneself with a good opportunity to buy, when there are no funds available, in the latter part of the year. I am speaking as a departmental official. I believe that if the committee could bring in some recommendation on the question of purchases it would be in the long run very helpful to the department and to our representatives abroad.

Mr. Low: Would that come under the Department of Public Works—the purchase?

The WITNESS: No, except in the case of Canada House in London which has for many years been under the supervision of the Department of Public Works; otherwise, all buildings are directly under the supervision of the Department of External Affairs. We have very few buildings.

Mr. Low: Suppose you had set about to obtain buildings would you have the title vested in the Department of External Affairs?

The WITNESS: Vested in the Crown, not in any department. The purchase would be made on the recommendation of the Department of External Affairs; the Crown would own the property.

Mr. FLEMING: Mr. Wrong gave us a figure of 78 as the number of employees in London, including Canada House.

The WITNESS: The total, not the permanents.

Mr. FLEMING: There are no employees of the Department of Public Works at Canada House, are there?

The WITNESS: There are, I think, a couple of employees of the Public Works Department.

Mr. COTE: Many questions were asked this morning and many more will be asked. I return to my initial argument as to whether Mr. Wrong or somebody in the department could draft a graph and prepare a sheet showing the whole structure of the department which would save us a great deal of time and would simplify the matter of questioning.

Mr. BEAUDOIN: In the statement which you will prepare for us will it be possible to indicate the liaison which exists between your department and the Department of Trade and Commerce, both in the country and outside?

The WITNESS: I think there is an agreement in writing, how comprehensive it is I am not sure. These matters are dealt with largely in meetings dealing with special problems. As far as the Department of Trade and Commerce and the Department of External Affairs in Ottawa are concerned there is, I believe, a definition of the relationship of the trade commissioners and the heads of missions.

The CHAIRMAN: Tentatively we will call our meeting for Friday.

The Committee adjourned to meet at the call of the chair.



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EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

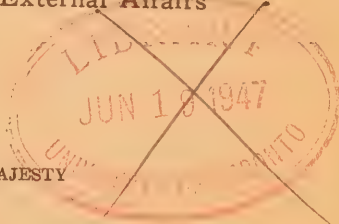
No. 2

FRIDAY, MAY 24, 1946

WITNESS:

Mr. Antoine Monette, Architect, Department of External Affairs

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

FRIDAY, May 24, 1946.

The Standing Committee on External Affairs met at eleven o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudoin, Boucher, Bradette, Coldwell, Coté (*Matapédia-Matane*), Diefenbaker, Graydon, Hackett, Jaques, Kidd, Leger, Low, MacInnis, MacLean, Marquis, Mutch, Raymond (*Beauharnois-Laprairie*) and Winkler. (18).

In attendance: Mr. S. D. Hemsley and Mr. L. C. Audette of the Department of External Affairs.

The Committee resumed consideration of *item 41* of the estimates referred, being departmental administration.

Mr. Antoine Monette, architect of the Department of External Affairs was called.

The witness made a statement respecting Canadian Embassies in South America which he visited on behalf of the Department of External Affairs. He referred particularly to those which are in rented quarters. He mentioned Rio de Janeiro, Buenos Aires, Santiago, Lima and Mexico.

Mr. S. D. Hemsley assisted the witness in supplying some statistics.

After discussion on procedure and on motion of Mr. Low, the Committee adjourned at the call of the Chair.

Antonio Plouffe,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 24, 1946.

The Standing Committee on External Affairs met this day at 11 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: I shall now call the meeting to order and I thank you very much indeed for your coming early and in such numbers, because I was afraid, for a while, that we would not get a quorum to-day.

Mr. COLDWELL: Oh well, you know this is the External Affairs Committee.

The CHAIRMAN: I confess that I am an offender myself along the following lines, but I have been told that the reporters sometimes find it difficult to get a full record of our deliberations. There are so many expressions used in External Affairs that are peculiar that we may have to be a little more definite and careful in our statements and in our questioning.

To-day we are resuming our consideration of item No. 41 which is the first item before the committee, and we have with us this morning Mr. Antoine Monette, who is the architect of the Department of External Affairs. He will be our only witness to-day. I now call upon Mr. Monette.

Mr. Antoine Monette, Architect of the Department of External Affairs, called:

The WITNESS: Well, Mr. Chairman, as you know, I have been through our capitals in South America and the first city I would like to talk about to-day is Rio.

In Rio de Janeiro there is quite a program of construction going on and the cost of construction there is very very high. I looked around to see if there were any possible properties to be acquired, but there were none.

Actually, the Canadian Embassy is in rented quarters. It is situated on the top of a hill called Sainte Theresa, in the centre of the city, within about 15 minutes drive from the business centre where the chancellory is situated. This house is of medium size and the design is colonial Portuguese. The view from the terrace and gardens is simply magnificent. From there you can see all the harbour and the different bays and, I would say, about half the city.

I met the owner of the house and he has no intention, of course, of selling this house. He showed us a letter in which he was offered about \$750,000 United States, and he said: I am not willing to sell this house, but I am willing to rent it to the Canadian Ambassador at the rate of about \$200 a month.

By Mr. Low:

Q. How much was that again?—A. For about \$200 a month; but he does not want to sell the house because he was born and raised there, and he wants to keep it.

By Mr. Marquis:

Q. You say he had an offer?—A. Yes, he had an offer of \$750,000 United States dollars. He, himself, is a coffee grower and a multi-millionaire.

By Mr. Hackett:

Q. I suppose his property would escape taxation when it is put into the diplomatic service?—A. I do not know; but the price is about one-quarter of

what we would have to pay. There are possibilities of renting this house on a long-term lease, say, for 10 years, if we should make some repairs on this house.

Q. Do you know if we have to pay the taxes?—A. Not on rented quarters; I do not know.

By Mr. Jaques:

Q. Would the property be subject to sale when rented?

By Mr. Coldwell:

Q. Have you got it on a lease?—A. I think the lease has expired now.

Q. Can you renew the lease for a long period?

Mr. HACKETT: Would the sale of the property break the lease?

Mr. MARQUIS: It depends upon the law.

Mr. HACKETT: That is what he is asking.

The CHAIRMAN: Perhaps the committee would prefer that Mr. Monette go ahead with his statement and the members could make notes and question the witness when he is through with his brief.

The WITNESS: Nothing definite came out of this interview. As I said, the owner seemed perfectly happy to have the Canadian Ambassador occupy his property; he seemed to be flattered about it. There was no immediate proposal. We just talked about possibilities. No agreement was made or anything of that sort.

I inspected a few houses which could have been bought but none of them were suitable; the prices were either too high or they were not suitable for an embassy. The chancellory is very well situated on one of the main streets and it is very well furnished with paintings, Canadian paintings, and it gives one the impression of being a Canadian office.

By Mr. Coldwell:

Q. Mr. Desy is the Canadian Ambassador?—A. Yes, Mr. Jean Desy is the Canadian Ambassador.

The WITNESS: Then, my next stop was at Buenos Aires and there I visited about 20 houses and I would say that none were suitable as an embassy. There were practically no houses to rent at the time; they were all offered for sale. All the houses I visited were either too big or badly planned. In fact, many of them had no gardens. The only possible house that could have been used as an embassy was offered at a price of \$410,000, so we left the matter in abeyance because I thought it was a lot of money for a house.

About two or three weeks ago we were offered a house, a small house, which would have been suitable, but the owner changed her mind, so we could not rent it. The present situation is very difficult. A suitable house would be hard to find.

Then, there was Santiago. There the price of real estate is very, very high and there were practically no houses offered for rental. We found a house suitable as a Canadian Embassy and the price was not too high. It was offered for about \$200,000. It had magnificent gardens and it had a very nice view from the verandahs. The house was well planned and designed, but we could not take advantage of this offer because of the lack of funds and the lack of allocations. Actually, we are renting a house for which we paid last year at the rate of \$700 a month; and now they are asking \$800 to \$900 a month.

By Mr. Coldwell:

Q. United States dollars?—A. No, Canadian dollars, I think, and the matter is in abeyance just now. It was, in my personal opinion, unfortunate that we could not take advantage of this house which would have settled the

situation in Santiago for years to come. It was situated in a very nice district and would have been for 25 to 35 to 40 years suitable as an embassy.

In Lima we are occupying a rented house also, and we still have about 17 months to go. It serves the purpose for the time being, but I do not think I would like to recommend its purchase. The plan is not basically bad, although it has some bad features; for example, the detail of the moulding is not very nice, it is a little awkward. The gardens are lovely. In Lima there is no master plan and there are practically no zoning laws; so it is very hard to determine what district will remain a residential district and what district would become commercialized.

In every city it was my first concern to go at once to the city hall to find out if they had a master plan, so that if and when we buy some property, we may be sure to buy it in the right district and not to buy property which would depreciate after 5, 10 or 15 years.

By Mr. Coldwell:

Q. Are the other cities zoned?—A. Rio is, and Washington, of course; but there is no master plan in Santiago. The house in question is in the western part of the city.

By Mr. Marquis:

Q. Is Buenos Aires zoned?—A. They have an organization there which was established a few years ago and they are working on a master plan. I went to the Town Planning Commission there and I was shown the zoning plans, and I was informed about new enterprises that are to open and the work that is to be done in Buenos Aires. In Rio they have had a town planning scheme for 15 years, and all new developments have been zoned according to that plan.

Q. What is the rental at Lima?

Mr. HEMSLEY: \$552 Canadian dollars a month.

By Mr. Coldwell:

Q. How much is the chancellory?

Mr. HEMSLEY: \$141. That may be our share of it, because trade and commerce carries a proportion of it.

Q. I see, trade and commerce carries a proportion of it?

Mr. MARQUIS: \$141.

The WITNESS: In Mexico the situation is much like that in all the other cities in South America. You will see buildings being put up all over the place but very few working on them. In some cases there is just a skeleton structure with no one working. And the cost of real estate is sky-rocketing. The consensus of opinion is it won't go down.

Now, to come back to Rio, there I met a British architect who had studied with me at the same school, so we formed a very good friendship. I asked him this question. He has been in Rio for the past 20 years, so I asked him if he thought that the cost of real estate would crash down? And he said: "I was in Rio following the last war and the cost of real estate went up and it did not come down. It may be stabilized, but I doubt very much if it will reach the pre-war level." And that was about the consensus of opinion. It may come down a little, but not to the pre-war level. That was the opinion I was given.

By Mr. Coldwell:

Q. Are you going to deal with building costs?—A. Yes. The rise in price of real estate follows very closely the building costs in a definite way. In Mexico there is no zoning law, but they have a belt indicated on a plan. I have seen the plan, and according to it there is a belt where heavy industries are located.

It seems to me they are scattered all around the city in a kind of belt. Some districts are residential while others are not; but in most of the districts there is nothing to prevent a laundry or a power company from putting up a plant.

By Mr. Leger:

Q. Could Mr. Monette tell us how much it would cost to build embassies in these different places?—A. That would be very hard to say.

Q. Could he give us an idea? He has told us it would cost a certain amount to buy an embassy here, but if we knew the cost of building a new one, then we could form an idea?—A. Well, in Rio I remember asking this British architect how he did his figuring in establishing estimates. If I remember well, I think he said about 2,000 crusados per square metre. That is worth about 4 cents, I think. So I figured out how much it would likely cost to add a living room to the present embassy, just as an example, and the amount came to \$20,000. I doubt very much if we can build anything. That is a wild guess, although I doubt very much if we could build anything under \$200,000 to \$300,000. That has to be a wild shot because conditions vary so much in every city, but I would imagine that to be so.

By Mr. Coldwell:

Q. What size of house do you consider to be suitable for an embassy?—A. I would say it should have rather a large room.

Q. You mean you would want a large reception room?—A. Yes. I have prepared a little program, but it is not official. It is only for my own information, because I was thinking about this subject.

The CHAIRMAN: I believe the committee would like to have that information.

By Mr. Coldwell:

Q. Yes, we should have something by which to make a comparison.

Mr. COTE: Yes, it would give us a clearer idea of how much it would cost to build embassies here and there. I understand that you are one of the architects of the External Affairs Department, so if you will be good enough to give us an idea of costs, just for comparison purposes?

The CHAIRMAN: I believe it would be in order to answer Mr. Coldwell's question about your idea of costs?

By Mr. Coldwell:

Q. First of all, what size of house had you in mind?—A. For my own personal information I prepared a little program. It is not an official program; I want to be quite clear on that point. It is not the program of the department but rather my own program as an architect. I was just thinking about embassies. To begin with, the reception room, in my mind, is the most important part of an embassy. Then there should be a hall with a cloakroom. It is indispensable to have a hall with a cloakroom. Then, you need a big drawing room; and in large embassies I would say you needed a ball room; but for a Canadian embassy I would call it a large drawing room. Then you need a dining room and a smoking room and then a little morning room. In addition, there should be a library which could be used by the ambassador as an office, if he wanted to work. Then there should be a smoking room, and that could be combined with the library. It all depends on the ground and the plot. Then, you must have private apartments, too; I would say four or five bedrooms with bathrooms, and a nursery, and a small living room. Among the private apartments there should be a guest suite, and a small pantry, a dressing room, a living room and a sewing room.

Then, for the services, you need a kitchen and a scullery for pot washing, and you need a serving pantry, a butler's pantry with closets in which to put

china, silverware, and tablecloths; and a storeroom for food and maybe a wine cellar, if it is possible; and I think there should be a flower room in order to save flowers from a reception on one day until the next day.

By the Chairman:

Q. You may have a cocktail bar, too?—A. That would be most useful; and there should be a storeroom for boxes and crates; and if there be room, there should be a game room provided; and in some countries there should be a small conservatory. Outside there would be a garage for two cars, with chauffeurs' quarters, and suitable servants' quarters, depending on the country where we are.

By Mr. Boucher:

Q. Would it be possible to give us, approximately, the relationship of the costs, whether there would be a 20 per cent increase or decrease?—A. It is very, very hard to say, sir. There seems to be no relationship between costs of buildings in Canada and the cost of building in these places; the policy varies from country to country. For example, in Rio they have no concern about heating systems at all; but they do need air conditioning. Their problem is not to heat the place, but rather to cool it. I think it is necessary to have air conditioning units, especially for Canadians who are not used to this very damp and warm climate. In fact, you have to change your shirt four or five times a day.

The CHAIRMAN: That would be hard to do here where we have no shirts.

By Mr. Coldwell:

Q. What did the French Embassy cost here, Mr. Monette? You have already given us, I think, a fairly good description of the French building here.—A. The French building here, sir, has a large ball-room and it is much more elaborate than this program. And in addition they have two storeys, and they had their French artists, who came out here from France, and all the windows were shipped from France and they are made of solid bronze; so I do not think we could tie up the Canadian Embassy with that very special place.

Q. I should hope not!

By Mr. Leger:

Q. Would Mr. Monette be of the opinion that the description he has given us would cost around \$300,000 to \$400,000?—A. I would say around \$300,000. Much depends on the size. For instance, if you are to draft a program for an embassy, the thing that governs the size and cost of it is the number of people that you want to receive. I planned an embassy like that for 150 people; but the French Embassy here in Ottawa was designed for 800 people. We were asked to prepare designs for between 500 and 1,000 people.

By Mr. Cote:

Q. That building must have cost about \$1,000,000?—A. I do not think it cost that high; but that is a very hard question to answer.

Q. What style would these buildings be?—A. It would vary, Mr. Cote, from country to country. If I were asked to plan an embassy for say Newfoundland or Norway, or an embassy for a tropical country, the character of them would change. For the tropical country we would need to have big openings, gardens and windows for lots of fresh air; but for the northern countries we would need a closed in building.

Q. You would need something approaching the Canadian style?—A. Yes.

Q. How about the outside?—A. The outside would be plain.

Q. Do you think the government would be just as well off by renting buildings?—A. I do not think so. We have to pay fairly high rents, and after a few years we have nothing left.

The CHAIRMAN: Order! I think it would help our discussions if the members of the committee would always address the chair. It also helps the reporter.

By Mr. MacInnis:

Q. You have given me an opportunity to say something here; and perhaps I am in a minority of one; but I do not think our discussion to-day is very real in view of the problems that external affairs have to meet to-day. I do not think we have advanced far enough in the matter of gathering information in regard to embassies, and I think we could satisfy ourselves to-day with a general report from Mr. Monette, and that we could go into it more fully at a later time when further information was available. I think we have, in our external affairs, far more important matters to deal with than merely deciding what sort of palatial buildings we are going to have for our ambassadors. It may be of importance some day, but personally, I do not think it is particularly important now.

Mr. BOUCHER: I agree with Mr. MacInnis. When we stop to consider it, I think we should have something more concrete before we could get very far. I think we are spending a lot of time on this matter and getting nowhere.

Mr. JAMES: I suggest that this material is worth discussing, but if it is to be of any value we should have the Minister of Finance here; he would provide the answer to all this; where is the money to come from?

The CHAIRMAN: Your point is well taken. I agree with Mr. MacInnis that at the present time it might look to us that this is a secondary matter; but you were here when Mr. St. Laurent spoke, and he told us that Mr. Monette would be here only for a few days. In addition, we could not get some of the high officials because most of them are away. That is the position in which the chair found itself at the present time. I could not get these high officials but I could get Mr. Monette here and I thought we should have an explanation from an expert about housing accommodations abroad. I believe the information we have got so far has been very beneficial for future discussions; and now that we have Mr. Monette I believe we should use him fully to get all the information we can.

Mr. MACINNIS: I have no objection at all in hearing from Mr. Monette, and having him make a report as far as he has gone, but I do object to going into this wide speculation that we have gone into this morning. I have been long enough around this building and committees to be a little suspicious that perhaps the best thing to do with a committee is to get it talking about comparatively non essential things; then, if you keep it long enough on that, it won't have the time to get to essentials.

I think there are more important enough things in our world affairs to-day than providing homes for our ambassadors. That will be an important thing when we get around to it, but until we consider these problems that are upsetting our world and making it impossible to order our affairs properly, we cannot really give much thought to building homes for ambassadors who, under the present situation, may never get to live in them.

Mr. JAMES: I think that Mr. Monette could give us some valuable evidence in other respects. He has travelled widely as an independent man, and as such I would like to ask his opinion in connection with the policy of whether we should, or Canada should, rent, or whether Canada should build its own embassies? What about the danger of revolutions in these countries? How would that affect buildings if we owned them? I can see the possibility that,

in a revolution, there might not be any building left. I would imagine that during his travels in South America and elsewhere, he may have heard about and discussed the possibilities of revolution in those countries. I think it would be very interesting information for us to have.

The CHAIRMAN: Before Mr. Monette answers, I would like to have Mr. MacInnis' point clarified. I presume that we will find, just as we did last year, that in many instances the activities of this committee will deal with abstract questions. I, myself, took the responsibility of calling the meeting this morning because I thought it was a good move, and because we were getting an expert to come before us, one who would not dictate to us but would give us the experience of his travelling. So I would like to have the feeling of the committee on that point. Mr. Wrong could not get here to-day, so I got Mr. Monette to come. It must be borne in mind that this committee will be largely dealing with abstract subjects.

Mr. LEGER: I am sorry that I had to disagree. I think this is information which is very valuable to us. If we are to have embassies, and are to establish embassies, we must make provision for them. And if the cost of renting these buildings is excessive, then I think the government should either buy buildings or build new ones. Mr. Monette has given us valuable information. I think we should know whether certain sums of money should be put aside with which to buy embassies or with which to build embassies. Just a few moments ago he mentioned about there being a good buy in a certain place, if we had the money; but unfortunately the money was not available, therefore they could not buy. So I think it was very wise of the chairman to call Mr. Monette before us this morning.

Mr. MACINNIS: I am not finding fault with either the chairman or with Mr. Monette's report. What I would like to get is Mr. Monette's report with a little less of our own verbosity added to it.

Mr. MARQUIS: I agree absolutely with Mr. MacInnis and Mr. Leger that we should not go into too many details in getting the picture. I do not think it is the time to build now, because material is too costly. Perhaps Mr. Monette could say a word about that. I do not think we should investigate too closely into this matter. Mr. MacInnis' suggestion would bring us to a closer picture of this question.

The CHAIRMAN: It is not a question of investigation in this case, but rather one of considering a report which I think would be illuminating to our deliberations. In my opinion we are fortunate to have Mr. Monette here, and I believe that, so far, the discussion has been very illuminating.

By Mr. Low:

Q. Continue, Mr. Chairman; let us have the story.—A. Well, I was asked a question, I think, a few minutes ago, and I will give an example. For instance, you asked who were the owners in Lima. In Lima the countries that are represented are: Argentina, Brazil, Spain and the United States. The United States built an embassy in Lima which has just been completed. In addition, Great Britain, Mexico, Sweden, Venezuela, and the Nunciatura. These countries own their own embassies and either bought the property or built embassies. The Papal Nunciatura has just bought one.

By Mr. MacInnis:

Q. That is in Chile?—A. That is in Lima. I happen to have taken that down.

By Mr. Marquis:

Q. These countries are owners of their own embassies?—A. No; in Lima, that is a typical example I am giving of a certain country.

Mr. JAKUES: It seems to me that before I invested money in a country, I should like to be fairly sure of the political conditions of that country, and that they were fairly well stabilized.

The CHAIRMAN: It would be hard to determine.

Mr. JAKUES: Mr. Monette may not care to be quoted on this, but he must have acquired, during his travels, a pretty good idea of the political future of these countries. I think such matters are key questions.

The WITNESS: I was so much concerned with the housing situation and with the town planning situation and all that sort of thing that they occupied all my attention and endeavours, so I am afraid I did not take very much note of the political affairs.

Mr. JAKUES: You would prefer not to be quoted.

The CHAIRMAN: Revolutions are like the measles; you do not know when they will break out.

By Mr. Coldwell:

Q. Do we own our own embassy in Washington?—A. Yes, we own it.

Mr. HEMSLEY: But yesterday a part of it was sold over our heads, the entrance; the annex was sold over our heads.

The WITNESS: I think we own our embassy in Washington, and in Tokyo, and in London (Canada House); those are the three that I know we own.

By Mr. Winkler:

Q. May I ask Mr. Monette a question in regard to these South American countries; for example, in Mexico, would you say that conditions there are most nearly approximate to boom conditions at the present time? Would you say that about Rio or Buenos Aires?—A. I think it would be Rio; things were booming all over South America and prices are sky-rocketing.

Q. Would it, in your opinion, be good business to invest in real estate or even in buildings under such conditions?—A. It all depends; if we are offered a property for sale, for instance, as in Santiago, I would say, in that case, yes; definitely, yes, because it was a special case. I do not think we would have been able to build that house for the amount asked. I do not think so, and I feel pretty sure about it.

The CHAIRMAN: In dealing with these questions there is more than money involved; there is also the cultural viewpoint that must be considered. When we speak of the French Embassy here, for example, it carries more than a money value; it carries a cultural value of the country that built it. What is your viewpoint on that, Mr. Monette?

The WITNESS: I think you are very right, Mr. Chairman. I think we should have an embassy which is properly furnished and supplied with paintings that are suitable for the particular country. I would not send some paintings to Rio, for instance, that I would send to London. I think you should create a cultural centre because it is most interesting and most helpful to business.

By the Chairman:

Q. And you could not do that so well with a rented building?—A. Not so well. Of course you can always create an atmosphere, but it is not so easy to do as in a building designed or established for that purpose.

By Mr. Graydon:

Q. I was out of the committee when this discussion began. What kind of accommodation has Jean Desy got in Brazil now; is it a rented house there?—A. Yes, it is a rented house, beautifully situated on the top of a hill with a luscious garden and a very good view; and the house is very nicely furnished.

Q. Is there any danger of his being dispossessed at the moment?—A. Yes, there is always that danger, although the owner seems to be quite willing to continue the tenancy of the Canadian Embassy.

Q. I suppose it will become a question of whether or not you rent, buy, or build; and I suppose that with respect to purchases of buildings to-day, you are in the same position as most private individuals; it does not seem like a very good time, from an economic point of view, to spend much money, having regard to short supply of materials, the quality of materials, and the prices you have to pay?

Mr. HACKETT: He complains of another shortage, that of cash.

Mr. GRAYDON: That often affects supply.

Mr. JAKES: And also employment.

The CHAIRMAN: Are there any more questions to put to Mr. Monette?

Mr. LEGER: I think Mr. Monette should continue.

By Mr. Marquis:

Q. Have you anything more to offer?—A. I have covered the ground.

The CHAIRMAN: The ground that you are expected to cover, by the department?

By Mr. Coldwell:

Q. Do you know anything about our buildings in Europe outside of London?—A. No, I have not yet been to Europe since the war; I know Europe well, because I lived there, but conditions are so changed now.

Q. You have not been over since the war?—A. No, not since the war ended.

Q. You have seen what our offices and so on are like there?—A. I know that before the war we had a chancery in Paris, because I used to go there.

Mr. GRAYDON: I know about the accommodation in Paris and I know about the heating problem on New Year's day. It wasn't very good in Paris. One out of every five homes in Paris was without heat of any description.

The CHAIRMAN: Was it on account of the heating system or the coal supply shortage?

Mr. GRAYDON: I know that the temperature was below zero and there was no heat in our Canadian Embassy, and the ambassador's residence.

Discussion continued off the record.

The CHAIRMAN: Are there any more questions?

By Mr. Leger:

Q. Did Mr. Monette say that the chancery in France was owned by Canada?—A. No, it was rented.

By Mr. Cote:

Q. To put it in a nut-shell, how do we stand in so far as South America is concerned? Have we got decent embassies all over the place? I mean, decent headquarters fit for Canada?—A. I did not see many of them.

Q. Are many of them fit and decent for Canada?—A. You mean what we have now?

Q. Are they suitable, having regard to our status in the world?—A. I do not think we have got them.

By Mr. Coldwell:

Q. What about Rio?—A. Not unless the house is arranged and fixed.

Q. You would have to build an extension on to rented property which is not good business unless you have a very long lease?—A. That was my first concern; how long is the lease? Ten years' lease would be all right.

By Mr. Cote:

Q. And elsewhere they have no possibility of making these headquarters proper?—A. I would say only in the case of Rio provided the house be arranged.

By Mr. Leger:

Q. You stated that you found one building which would be very suitable?—A. Yes, but we did not buy it. It was in Santiago.

Q. It was in Santiago; now, has the building been sold?—A. I think that the Chinese government took it, if I am correct.

By Mr. Cote:

Q. So, in all the other places except Rio, we have no headquarters befitting our endeavours?—A. That is my opinion, my professional opinion.

By Mr. Hackett:

Q. Did you go to Argentina?—A. Yes, sir; but we have no house there at the present time.

Q. Mr. Chipman has rented quarters there?—A. No, he is living in a hotel. During the ten days I was there, I inspected two or three houses a day. I never saw so many houses in so short a time.

By Mr. Coldwell:

Q. Have we a chancellory there?—A. Yes.

Q. Is it a suitable one?—A. They are making some changes to it, I believe.

Q. Do you think it to be a suitable chancellory?—A. For the time being.

Q. Have we got it on a long-term lease?—A. Yes, sir.

Q. Do you know the length of the lease?—A. I think it is for three years.

MR. HEMSLEY: It is a joint lease along with trade and commerce. Most of them are that way.

THE WITNESS: As a rule the chancelleries are all right and are situated in suitable buildings.

By Mr. Graydon:

Q. It is just a question of living quarters for the ambassador, so far as Argentina is concerned; is that the case?—A. There are no living quarters for the time being, and the ambassador is living in a hotel.

Q. Of course, our High Commissioner in London lives in a hotel. Sometimes they prefer to do that.

THE CHAIRMAN: Are there any other questions to be asked of this witness? If not, then I thank you Mr. Monette for coming here to-day.

THE WITNESS: And I thank you, Mr. Chairman.

THE CHAIRMAN: I know that we all appreciate what we heard this morning but I would like to comment on Mr. MacInnis' statement which I know he made sincerely. We are bound in this committee to find ourselves a little baffled at times because the subject matter before us may not be very complete; but of necessity we must make the best of it. For example, I would like the members of this committee to give me all the advice they possibly can with respect to the item concerning the passport office and the item concerning the grant to the United Nations Society. We might find it possible to have one of the prominent men of that organization come before us and discuss the work of that organization. Then there is the item in connection with the Canadian section of the Canada-United States Permanent Joint Defence Board. That may prove to be a moot question upon which we may have to spend some time, and we will probably find that our efforts will depend upon our own creative powers.

I trust the committee is not disappointed about Mr. Monette's appearing before us to-day and that in fact it was appreciated. I believe he has given us information which will prove to be useful to us later on. I had intended holding another meeting of this committee on Tuesday next, but I believe it will be impossible to sit on Tuesday because there would not be room available for us, and because it would not be satisfactory to the members; so I wonder if we could meet at 11 o'clock next Wednesday?

MR. GRAYDON: But then you would be running into caucuses of all the parties.

MR. MARQUIS: Could we not sit some time during the afternoon?

THE CHAIRMAN: Some members object to that, and I do not blame them.

MR. BOUCHER: But if you would treat us to dinner, we could sit during the dinner hour.

MR. COLDWELL: Well what about Monday?

THE CHAIRMAN: We could not get Mr. Wrong then, and we need him for our next meeting.

MR. GRAYDON: It is difficult to get time. If members insist upon sitting on several committees; I think myself that this committee is just about as important as most of them, and I think we should plot our own chart, and try to make this committee take the lead in that connection, but I would cast no reflection on any other committee. By following such a course I believe that gradually the members of parliament would be weeded out so far as the various committees are concerned, and that they would allocate themselves where they felt their greatest interests to lie. I am afraid that your very generous disposition and good nature may perhaps prompt you to try to find too many suitable times for this committee to meet; but I would not worry too much about that. I would call this committee at certain times, and then, if the people are not here, they will have to take that responsibility. I, myself, would be very glad and I think many members of the committee would not mind—what is to hinder this committee sitting at an odd time, say, 9 a.m., or 9 a.m. to 10 o'clock, and call it off at 10 o'clock. I know it would be hard on us.

MR. COLDWELL: Yes, some of us do not get away from here until around midnight.

Discussion continued off the record.

THE CHAIRMAN: Is there a motion to adjourn?

MR. LOW: I move that we adjourn.

THE CHAIRMAN: The committee is adjourned.

The committee adjourned at 12.00 noon, to meet again at the call of the chair.

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Canada External
Affairs, Montreal
May 30, 1946

~~DEPARTMENTAL PUBLICATION
IN ECONOMICS
UNIVERSITY OF TORONTO~~

(SESSION 1946)

(HOUSE OF COMMONS)

Government
Publications

(STANDING COMMITTEE)

(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, MAY 30, 1946

WITNESS:

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946

ORDER OF REFERENCE

MONDAY, May 27, 1946.

Ordered,—That the name of Mr. Breithaupt be substituted for that of Mr. McIlraith on the said Committee.

Attest,

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, May 30, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr Bradette, the Chairman, presided.

Members present: Messrs. Beaudoin, Benidickson, Boucher, Bradette, Coldwell, Diefenbaker, Fleming, Fraser, Graydon, Hackett, Jackman, Jaques, Leger, MacInnis, Marquis, Sinclair (*Ontario*), and Winkler.—(17).

In attendance: Mr. S. D. Hemsley.

The Clerk tabled an additional Order of Reference relating to the substitution of Mr. Breithaupt's name for that of Mr. McIlraith on the membership of the Committee.

The Chairman read a letter of Mr. MacInnis addressed to him on May 17 last. (*See minutes of evidence*)

The Committee resumed its consideration of *Item 41, of the Departmental estimates of External Affairs*.

Mr. H. H. Wrong was called.

As requested at a previous meeting, the witness tabled two graphic plates showing the organization of the department at Ottawa and abroad. On motion of Mr. Fraser,—

Ordered,—That the above mentioned graphs be printed. (*See Appendices A and B to this day's evidence*).

The witness proceeded to give further desired information regarding temporary employees of the Department, various international bodies of which Canada is a member or on which Canada is represented.

Mr. Diefenbaker mentioned the question of war criminals. He referred to an order of council and the War Measures Act relating to their trial. After discussion, it was felt that this matter be brought up again and that the Deputy Minister of Justice be asked to appear before the Committee.

Mr. Jaques referred to a petition of Canadian Airmen to the Department of External Affairs destined to the Yugoslav Government and relating to General Mihailovich. After discussion, this question was referred to the Agenda Committee.

Mr Wrong tabled a complete list showing the staff of the Foreign Missions in Ottawa. He was allowed to retain same for revision.

Ordered,—That the above revised list be printed as an appendix. (*See Appendix C to this day's evidence*)

Further information regarding the Economic and the Canadian Information Divisions was requested by Mr. Fleming.

The Chairman invited the members of the Agenda Committee to a meeting on Friday, May 31, at 2 o'clock.

At one o'clock, the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 30, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, I will now call the meeting to order. Before we proceed with Mr. Wrong, there was a request made by Mr. Cote at the last meeting when Mr. Wrong was present, to have a graph of the departmental administration to be submitted at a later sitting.

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs, recalled:

The WITNESS: We have prepared a very elementary graph but I am afraid it simply shows the divisional organization, as I explained to the committee at the last sitting which I attended, and the second one lists officers in a graphic form.

By Mr. Fraser:

Q. Then, it could be put into the minutes?

The CHAIRMAN: Yes, it could go into our reports. Is there a motion to have that put in as an appendix to our report?

Mr. FRASER: I will move that.

The CHAIRMAN: Carried! Now, while the clerk is distributing these graphs, I will read a letter. I must apologize to Mr. MacInnis for not having acknowledged the letter which he sent to me on the 17th May. The letter reads as follows:—

HOUSE OF COMMONS

OTTAWA

May 17, 1946.

Mr. JOSEPH A. BRADETTE, M.P.,
House of Commons,
Ottawa.

DEAR MR. BRADETTE,—I have been asked by Harold I. Nelson, Information Secretary of the Canadian Institute of International Affairs, to inform the members of the parliamentary committee on External Affairs that the national office of the institute will be glad to assist the members of the committee by extending to them the facilities of its library service and will also be glad to provide them with a list of its current publications.

Of course, members of the committee who are also members of the institute will already know of this service. The address of the institute is 230 Bloor Street West, Toronto 5, Ontario.

Yours sincerely,

(Sgd.) ANGUS MACINNIS.

Mr. MACINNIS: I sent a copy of that to all the members.

The CHAIRMAN: You sent a copy of that letter to all the members; that is fine.

The WITNESS: Both have been marked "confidential", but that is an error; the restriction should be removed, they are not confidential at all.

By the Chairman:

Q. I will now ask Mr. Wrong if he will kindly proceed.

The WITNESS: There were some matters about which I understood I was to furnish the committee with information; one was in respect, I think, to Mr. Coldwell's question about long time temporaries who are in the employment of the department. The figures which I gave at the previous meeting showed that there have been seventeen temporaries on the departmental staff, and just before the war began. We have examined what happened to them since then, and we find that seven have been made permanent; seven have resigned to accept other positions; one was made permanent and then resigned to get married. That leaves only two, one of whom was absent on active service for most of the war and has now come back to the department at two grades higher than he was when he left. The other—reports were not very satisfactory—but she has been promoted up one grade now and is a clerk grade 2, and will probably be made permanent.

By Mr. Coldwell:

Q. Does that apply to the returned man too?—A. Oh, yes, he will almost certainly be made permanent very shortly.

Q. All right?—A. I have another matter about which information was desired, namely, the principal international organizations of which Canada is a member. I haven't a list for distribution because I did not get the information ready in time to have it mimeographed; but I can read a list of the chief organizations, if that will be satisfactory to the committee?

The CHAIRMAN: Yes, that would be satisfactory to the committee.

The WITNESS: May I preface my remarks by saying that this is not all inclusive, because there are a number of highly technical international bodies which are principally the concern, or almost wholly the concern of other departments than that of External Affairs; but as to such of them, as to that type of organization to which we make contributions, the funds are carried in the estimates; while other departments, the postal union, as an example, there the Post Office Department provides an annual contribution to the Universal Postal Union.

These are the major governmental organizations to which we belong. All of them have at least an annual general assembly of one sort or another. The first is the United Nations. There, Canada is represented on three smaller bodies within the United Nations; the Economic and Social Council; the Atomic Energy Commission; and the Commission on Narcotic Drugs.

The Economic and Social Council has eighteen seats and Canada was elected for a three year term in January, in London. The Atomic Energy Commission is due to hold its first meeting in the middle of next month; Canada is a permanent member.

By Mr. Coldwell:

Q. Is that an organization arising out of the Security Council?—A. It was created by the Assembly under a resolution which relates its activities to the Security Council. It reports to the Security Council. I have forgotten the exact language of the resolution, but it is an agency created by the Assembly; and the

Assembly could, therefore, at any time, change the composition and constitution of the Atomic Energy Commission by a further resolution.

Q. Is there any period of time?—A. No time set; and it is impossible, I think, to offer any prediction as to the probable duration of this body. I would be inclined to regard it as being at least a semi-permanent organization of the United Nations.

Q. What are the other members called besides Canada?—A. The eleven members of the Security Council—it would be a commission of eleven if Canada were on the Security Council. This other commission to which Canada is named—

Q. Have any functions yet been assigned to that Atomic Energy Commission at the moment?—A. Nothing beyond the terms of reference. It will hold its first meeting on the 14th June, in New York, and its first task will be to discuss its mandate and adopt its rules of procedure. I have no idea how long these sittings are likely to go on. I feel that the initiative must rest largely with the representatives of the nations on the commission.

Q. Have we appointed any representative to it as yet?—A. Yes, General McNaughton has been named as the Canadian member; and he will be assisted, although the names have not yet been announced.

Q. Has General McNaughton been appointed in his capacity as a member of the Joint Defence Council?—A. No, no, purely in his personal capacity he has been named. The third of the inter-governmental commissions is the Commission on Narcotic Drugs which consists of representatives of fifteen named States. It also has not yet held its first meeting; but it will meet, I think during the course of July. There are other United Nations bodies on which Canadians serve; but they are appointed by name while the ones I have referred to are the countries named. Dr. McIntosh is a member of the economic and Employment Commission under the Economic and Social Council.

Q. Of the Finance Department?—A. Of the Reconstruction and Supply. He was named chairman of it at its first sitting.

By Mr. Marquis:

Q. What was the name of the last commission?—A. The Commission on Narcotic Drugs.

Q. No, no?—A. The Economic Employment Commission. Then, associated with the United Nations is the International Court of Justice of which a Canadian is a member, a Canadian is one of the judges, elected in a personal capacity.

By Mr. Coldwell:

Q. You mean Mr. John Read?—A. Mr. John Read.

By Mr. Boucher:

Q. Mr. Read is in Canada now?—A. Yes, he has just returned from the opening meeting of the Court.

By Mr. Fleming:

Q. Is Mr. Read going to continue in the service of the Department of External Affairs while serving as a judge of the International Court?—A. It involves his complete severance of his relations with the Canadian government.

Q. And has this occurred?—A. It has occurred.

Q. Has an appointment yet been made to fill the vacancy?—A. It is not exactly a vacancy. Mr. Read was a very senior official of the department, but we have not appointed a new man with the same title or rank. The head of the legal division is Mr. Hopkins, who is carrying on most, if not all, the functions of Mr. Read as legal adviser.

Q. How long has Mr. Hopkins been in the department?—A. About a year now.

By Mr. Coldwell:

Q. When Mr. Read goes to the International Court of Justice, what happens to his pension rights? Does the court itself provide for a period of years and then a pension?—A. The court has not yet made provision for pensions, but will so provide. That may be a question which requires legislation. It is under examination now. It seemed to me to be callous, where a distinguished Canadian who has not been retired from the Canadian public service, but who is, with the full support of the Canadian government, appointed to a post of this nature, should be permitted to suffer in respect to his pension rights.

Q. That is just what I had in mind.—A. Mr. Read received by chance a three year term on the Court. The normal term is for nine years; but they wanted to stagger the elections of the judges so that one-third of the Court would be elected every three years. Therefore, when the judges had all been elected, lots were drawn in the General Assembly of the United Nations, and Mr. Read was unfortunate enough to draw a three-year term. Now, if he were to serve only for the three years, he might probably not be entitled to any pension under the regulations they will adopt.

Q. It seems to me that some adjustment should be made in our pensions to cover cases of this restriction. There are some analogous cases which are now under examination, where it may be possible to suggest to the government that legislation be introduced at this session.

By the Chairman:

Q. Do you know how long Mr. Read will be here.—A. No, I do not.

Q. I ask you that question because I believe, if it were possible, Mr. Read might come here to address us and that his remarks might be very informative.

By Mr. Boucher:

Q. I think you should see him first of all, Mr. Chairman, and as soon as possible in that regard.—A. I am not certain whether Mr. Read will feel it to be compatible with his position as an international judge to appear before a committee of the Canadian House of Commons. That would be between Mr. Read and his own conscience to decide.

The CHAIRMAN: The committee will take steps to contact Mr. Read and will follow whatever direction he might give us.

Mr. FLEMING: It might be quite informal.

Mr. JAKES: I wonder if Mr. Wrong would agree to that statement?

The CHAIRMAN: Would you mind repeating your question?

By Mr. Jaques:

Q. Would Mr. Wrong tell us the reason for his last statement?—A. Mr. Read has become, by his election to the Court, an international personality, and he is bound by his oath of office that he has taken, to sever his connections entirely with the government of his own country. He may, therefore, feel that that would be a restriction should he appear before this committee.

By Mr. Coldwell:

Q. Temporarily he has ceased to be a Canadian and has become an international figure.—A. Temporarily, yes.

By Mr. Fraser:

Q. With respect to the salary received by Mr. Read or any others that are on those international committees, does their salary become exempt from the income tax? I noticed a man on the staff of Mr. Gutt, the Belgian Director of the International Monetary Fund. It was said that the Americans on his committee were all exempt from income tax?—A. It is very difficult to

generalize on that score. The charter itself contains some provisions about immunities; but most of them have to be carried out in the light of domestic legislation. I am sure that Mr. Read's salary would be exempt, both from Canadian and from Dutch income tax; but I could not answer with respect to the salary of an American judge.

By Mr. Marquis:

Q. Mr. Read is paid by the international fund; so, our government has nothing to do with that fund and it cannot tax it at all.

By Mr. Coldwell:

Q. If Mr. Read becomes an international personality with his domicile at international headquarters, then he ceases to be a Canadian citizen and he ceases to be taxable in Canada.

MR. BOUCHER: The fact is that a Canadian citizen, regardless of who pays his salary, is taxable in Canada, and Mr. Read is still a Canadian citizen although performing an international duty.

By Mr. Diefenbaker:

Q. Under which legal division, Mr. Wrong, of the organization of the Department of External Affairs, does the division of war crimes and war trials come.—A. We have no separate division dealing with that; but the legal division of the Department of External Affairs handles that matter in so far as it is the responsibility of the Department of External Affairs. It is, of course, a major responsibility of the Judge Advocate General of the forces.

Q. Some time ago I was reading the order in council under which the trial of war criminals is based. There was an order in council passed in August last, under the provisions of the War Measures Act. It provides a maximum penalty of five years or \$2,000 fine. Now, various German war criminals are being tried by tribunals set up under the War Measures Act; and the order in council provides that while the tribunals are set up under the War Measures Act, the penalty can be death, life imprisonment, confiscation of property, and so on. Now, I am just wondering whether you would be prepared to give us or to secure for us, an opinion upon this point; when the trial court is set up under the War Measures Act, and the maximum under it is five years, what about the case of a war criminal who is sentenced to death and subsequently his sentence is commuted to life imprisonment? I am thinking, for instance, of Kurt Meyer. He is now in prison serving a life sentence, imposed by the Court set up under the order in council, under the provisions of the War Measures Act.

MR. HACKETT: Was the whole Court set up under that?

MR. DIEFENBAKER: Yes. Has consideration been given to this matter and to the necessity for preventing any miscarriage of justice occurring, when the War Crimes Court be set up under a statute providing for a maximum penalty, such as are now covered by the order in council? Because, if there is any doubt about that question, a statute could cover the situation. I think a statute ought to be passed to cover that, and I would like to know, from you, sir, just what the attitude of your department is in that respect?

MR. HACKETT: Before the question is answered, let me ask a question: does the appointment of a judge to a Court which may not be set up under the War Measures Act—and I am thinking now of the appointment of Judge MacDougall to the Court which is sitting in Tokyo—fall within the ambit of your question?

MR. DIEFENBAKER: Yes, that is correct, is it not? All the Courts that are set up for the trial of war criminals are set up under the War Measures Act?

THE WITNESS: I am afraid that is a subject about which I have no accurate information which I can give to the committee at this time. I think that is a

matter which concerns the Department of Justice rather than my own department, or the Department of National Defence.

By Mr. Diefenbaker:

Q. It concerns the Department of External Affairs because it is mentioned in the order in council, as well as the Department of Justice?—A. But as it involves the interpretation of statutes, I think it is the Department of Justice responsibility.

Q. The Court is actually set up under the Department of External Affairs. Could you get us a legal opinion about that?—A. I think that Mr. Varcoe should be asked to explore the matter on behalf of the committee. We would have to refer the matter to him, in the Department of Justice.

By Mr. Jaques:

Q. Could the witness tell us if Soviet Russia is represented on this International Court?—A. Yes.

Q. If so, does the Soviet representative consider himself entirely apart from his own country?—A. The second question I cannot possibly answer.

Q. But you could make a very good guess; and who will pay the pension of the international judges?

Mr. FRASER: That would come under the international fund.

The WITNESS: Provision will be made in the budget of the United Nations. That was the method adopted by the Court which preceded the present Court of International Justice, the permanent Court of International Justice. The new Court maintains, operates under a new statute, it maintains a very close continuity, and so on; and the judges of the permanent Court of International Justice were paid out of a special fund in the budget of the League of Nations.

By Mr. Marquis:

Q. Has any action in that connection been taken as yet?—A. As far as I know, I am not quite certain of what action has been taken as yet. The Court itself would wish to make some suggestions, but I think it would be dealt with in the General Assembly of the United Nations, and that it would be for them to approve any recommendation before it became operative.

Q. Have we the right to pass these regulations, or do they have to be ratified by each government, respecting pensions?—A. No, that would be a matter to be dealt with by the General Assembly, where each government could express its views and vote for or against any scheme.

By Mr. MacInnis:

Q. Have any cases come before the International Court as yet?—A. No. There is certainly one case that I know of that has been referred to it, an ancient boundary dispute between the United Kingdom government and Guatemala, concerning a frontier. The United Kingdom government has publicly declared itself as desirous of bringing this matter to the court; and I am not yet certain whether Guatemala has agreed; but they are anxious to get it out of the way because it has been hanging on since the 1850's and the British government decided that a decision of the court would be the best way to get it settled once and for all.

By Mr. Hackett:

Q. What is the origin of the court which is sitting in Tokyo and to which court Mr. Justice MacDougall was named?—A. I am afraid I have not got that information at my finger tips; anything I might give you at this time might mislead the committee should I rely entirely on my memory to answer the question.

Mr. DIEFENBAKER: The reason I raised the question was: supposing it were to be found that a court set up does not have any greater powers than the measure under which the said court was set up. Then, in five years' time Mr. Kurt Meyer might apply—in five years, under Habeas Corpus proceedings, and receive his discharge.

Mr. HACKETT: Maybe he could do so before that.

Mr. DIEFENBAKER: Of course; I think that is a matter we should get cleared up, because parliament is now sitting and a statute could be passed.

Mr. MACINNIS: Would it not be better if we asked the chairman to have the Justice Department give us an opinion on that? Either the Minister of Justice or his deputy could appear before this committee.

The CHAIRMAN: Mr. Wrong has given us the name of Mr. Varcoe, Deputy Minister of Justice. We might have him come here.

Mr. MACINNIS: It would be better to have him come here before a statement be made on the matter; and I think a statement should be made, not on the authority of just one department, but on the authority of both departments.

The CHAIRMAN: It would cover both departments.

By Mr. Coldwell:

Q. I imagine that the Justice Department advises the Department of External Affairs?—A. On the interpretation of statutes; that is the type of question which we would always refer to the Department of Justice for their opinion.

By Mr. Diefenbaker:

Q. In connection with the International court and Mr. Justice Read, and their decisions; does that International court accept the precedents from the Hague court with respect to preceding judgments given by the International court, or, is it starting off with a new body of law to be based upon precedence established after the date of the establishment of the court?—A. I think that the answer to that is definitely yes.

By Mr. Coldwell:

Q. Is it not a fact, Mr. Wrong, that a number of treaties were registered by the Hague court, and that at San Francisco they were very much concerned to see that they were carried into the new court?—A. That is certainly the evidence.

By Mr. Fleming:

Q. Is it not a matter for the new court to decide, what weight it will attach to the decisions of the old court, the court of International Justice? We can only speculate on that matter; but I think it would be a matter of surprise if the decisions of the old court were binding? The old court did not feel itself bound by the rule of *stare decisis*, at all; and, if it was not bound by its own decisions, I do not think we should expect the new court to be bound by such decisions of the old court, but merely to regard them as persuasive authority.

Mr. HACKETT: I do not know of any place, outside of British boundaries, where that principle obtains. It certainly does not obtain in any of the great countries where the Roman law and the Latin rule obtain. One man's reason is certainly as good as another man's reason. He is always the captain of his soul.

By Mr. Coldwell:

Q. What is the status of the present commission as set up for the punishment of war criminals, of which Mr. Arthur Slaght was a member for Canada?—A. You mean the United Nations War Criminals Commission?

Q. Is it still in existence?—A. Oh, yes.

Q. Has it ever met?—A. Yes.

Q. Is it meeting now?—A. I do not know. Its headquarters are in London.

Q. Is Mr. Slaght still our representative?—A. No. We had really finished the part of the business, as I understand it, with which Mr. Slaght was concerned. But, when the commission meets, we are represented. I am afraid I do not know by whom.

Q. According to this chart that has been submitted to us, there are three political divisions?

The CHAIRMAN: I believe it is the wish of the committee at one of our subsequent meetings, to have Mr. Varcoe come in order to elucidate the question of Mr. Diefenbaker? Is that the wish of the committee? All right.

By Mr. Coldwell:

Q. I wonder if you would name what they are?—A. I think that was explained at the last session, the respective duties of the three political divisions.

The CHAIRMAN: You will find it in the record.

By Mr. Jackman:

Q. And the section there where you have four counsellor solicitors; what does that mean?—A. I think it is impossible to answer that question by a "yes" or "no"; it depends to some extent upon the British Consular Service, which performs consular service for Canada in many countries. Of course, there are consulates in most countries at places other than the capital of the country where our missions are situated.

By Mr. Coldwell:

Q. How many consuls have we got in the United States?—A. Canadian?

Q. Yes.—A. About—it is only in New York, according to this summary of offices; but we had to establish a temporary one in Portland, Maine, for shipping purposes, because Portland is the terminus of the Montreal to Portland pipe-line.

Q. Otherwise you work through the British consuls?—A. Yes.

By Mr. Jaques:

Q. I would like to ask Mr. Wrong: I understand that some little time ago a deputation of Canadian airmen presented a petition to the Department of External Affairs in connection with the trial of General Mihailovich, requesting us—and I understand that a request has been made—that they should be allowed to testify at his trial, or at least to submit evidence in his defence. These young men were among the many hundreds who were shot down over Yugoslavia during the war and who received the utmost kindness at the hands of General Mihailovich, and were convinced of the General's loyalty to the allied cause. I understand that their petition has been forwarded to the Yugoslav government by the British government, by Mr. Bevin, and I believe as well by the American Secretary of State. I was wondering what step had been taken by the department here in that connection.—A. We have received, Mr. Chairman, as Mr. Jaques has said, representations from two young Canadian airmen; and these were transmitted to the Yugoslav government through the Yugoslav Charges d'Affaires in Ottawa. He spoke to me about the matter a few days ago and said that he had both written and cabled to his government but had not yet received a reply.

Q. Did the department consider taking the matter any further? Does the department consider taking any further steps in this matter?—A. I do not know what further steps can be taken than to draw the request to the attention of the government which is responsible for organizing the trial.

Q. Personally, I take a very serious view of it. I have met a few of these young men. I met some of them in the States, and I think for us to kill their

enthusiasm for what they believe to be justice, would be a very grave step to take.—A. I informed, myself, the Yugoslav Charges d'Affaires that I thought it would create a very bad impression if they were to refuse access to the court during the trial; and all he could say was, that it was a matter for his own government to decide—which we, I think, must admit. It is a matter purely coming within the domestic jurisdiction of Yugoslavia; but I hope that they do take the decision which Mr. Jaques desires; although I cannot say that they will. I can see no means by which we can compel Yugoslavia to admit Canadian witnesses to the court in Yugoslavia.

By Mr. Coldwell:

Q. I think our representations should be made as strong as possible.—A. I have spoken pretty strongly, and we have also indicated our opinions in writing.

By Mr. Graydon:

Q. There is grave difficulty in meeting the problem which Mr. Jaques has brought up. General Mihailovich is a national of Yugoslavia and the trial is taking place under the auspices of the new national government of that country. Our difficulty would be to find any international means whereby we could intervene on behalf of one party to a dispute in a country which is dealing with it in a field narrower than the international field.—A. I think that all the measures that can be taken are being taken; and the United States government has acted as well.

By Mr. Coldwell:

Q. No matter whether the charge is or is not true against this man, he surely is entitled to have witnesses who can give evidence on his behalf; and I think we should make representations to get them there. However, I believe it is a matter for the nation itself to decide and we cannot do anything about it.

MR. GRAYDON: That may be true from a legal and from a constitutional point of view; but, from the broader international aspect, the trial appears to have international features.

MR. COLDWELL: It has.

MR. GRAYDON: It might be a matter that could properly come before some body of the United Nations Organization.

MR. COLDWELL: Do you know of such a body? You were at San Francisco and you know how carefully they safeguard the rights to manage their own affairs.

MR. GRAYDON: I think the matter might well be brought before the General Assembly although it might not accomplish more than to indicate the international pressure that is being brought.

MR. HACKETT: Are they going to hang somebody before the assembly meets.

MR. FRASER: I think this committee cannot do very much about; all we can do is to recommend that the department make a strong plea to have these men allowed into the court.

The CHAIRMAN: On that subject I might say that I have already been approached by Mr. Jaques before this committee was formed. I do know that the Foreign Affairs Committee in the United States, in a case of that kind, would allow witnesses to appear before them.

When the young Canadian airmen were here, our committee was not functioning at the time; but I understand there were some American airmen who were willing to come before this committee to testify to the things that happened.

Mr. JAKES: I appreciate that the department cannot do very much with regard to the government of Yugoslavia; but I think that the fact that these witnesses cannot be heard should be made public, so that the public can draw its own conclusions as to the nature of justice in these communist controlled countries. That is my point.

Mr. FLEMING: I think we ought to be clear in our thinking on this matter. At the moment I cannot see much distinction between drawing a line as between international and domestic affairs so far as the Mihailovich trial is concerned on the one hand and the Franco government in Spain on the other hand. It would be just as competent for the authorities in Spain to say: the government is dealing with a purely internal matter as for the Yugoslav government to say: Mihailovich trial is purely a domestic concern. I take it that the committee has, as such, no power to make recommendations. They can only put recommendations before the House. So, perhaps, before we get too far into that field, we might consider how far the implications of such an action might extend. I do not know whether we are yet ready to make other recommendations in similar fields?

The CHAIRMAN: I think your point is well taken, Mr. Fleming. We have no power of recommendation in a case of that nature; but I believe we do have power to allow people who are interested to come before this committee here.

Mr. COLDWELL: Was there any suggestion of making recommendations? I think we were asking that, if representations had been made by the department, that we be assured that they were strong representations.

The CHAIRMAN: That is all we can do. I would like to have the opinion of the members of this committee as to bringing these young men here? Just as in the case of the Palestine question; would it be possible to have some people come here representing the Arabs, and so on. It might be a fine activity for us.

Mr. MACINNIS: Perhaps other people might want to make representations about matters with which we are dealing. Supposing Yugoslavia and some other countries should ask as to the correctness of our procedure in the deportation of Japanese-Canadians?

Mr. JAKES: Well, we should not be afraid of the truth. What I object to is being led by the nose. I look upon myself as a responsible member of parliament. I accept an extra \$2,000 a year to be just that; and I do not want to be accused of accepting money under false pretences. If we are to be merely "yes" men, of the columnists and the radio commentators of the C.B.C., then I think we should certainly return our \$2,000 and turn our hands to something else. What I want to get at in this committee is the truth of these things. There are two sides to every question, as the chairman has said; and if we are to be barred from the truth, then I do not think I, for one, shall trouble to come back any more.

Mr. LEGER: I think this is a very delicate question. I think the only thing we can suggest to the department would be to look into it very seriously and make an appropriate suggestion. I do not think we could go much further than that: to suggest that the department in question look at the situation very seriously and make any recommendations which are justified.

Mr. JAKES: There is nothing delicate about the methods employed by those who are backing the Yugoslav government and those who are backing the claims of the Zionists. There is nothing very delicate about their methods. I cannot see why we should not rise to the occasion and be men enough to hear witnesses for both sides. We are not committed to one side or the other; so, let us hear both sides and form our opinions.

Mr. HACKETT: Is it your suggestion that we hear witnesses in this committee?

Mr. JAUQUES: We have weeks ahead of us, if not months.

The CHAIRMAN: They could not be called witnesses in the court sense of the word; but like those young airmen they wanted to come before us and tell us what actually happened to themselves. I think we should leave the matter in abeyance at the present time and have it up for further discussion by the steering committee to-morrow.

Mr. BOUCHER: It seems to me that it might be quite proper for us to have Canadians appear before our committee as witnesses; but on the other hand, I doubt if that would be the case in connection with citizens of another country, appearing before a parliamentary committee of the Canadian parliament to give evidence about what happened in a foreign country entirely.

The CHAIRMAN: But it is done in the United States. There they bring in citizens from any country before their committee.

Mr. FLEMING: Again I want to make one thought clear, in the light of what Mr. Jaques has said: I do not think that any member of the committee feels disposed to shirk any responsibility which may devolve upon him as a member of the committee; but let us be clear in our thinking on this question. What are we being asked to do? To receive the evidence of certain witnesses? Are we to sit in judgment on those questions and decide whether General Mihailovich is or is not guilty of treason towards his own country? Who is to say that we have available in this country all the evidence on the matter? Surely the only decision this committee could make with respect to the matter is that this country do or do not make representations to the present government of Yugoslavia that these Canadian witnesses be heard in his defence. We are told that such representations have already been made. Mr. Wrong has made that definitely clear. So, what profit is there for us or for General Mihailovich or for the rules of justice in Yugoslavia for us to go into a question of that kind?

Mr. HACKETT: I think the answer to that question is: that it would enable Mr. Wrong, provided it is the proper procedure, to inform the government of Yugoslavia that witnesses (a), (b) and (c) are available and will testify to such facts. I do not suppose you could do any more than that.

Mr. FLEMING: But that has already been done.

Mr. HACKETT: No, we have just said that the witnesses are here. That was the only point I could see in implementing Mr. Jaques' suggestion; it would enable the government to say what facts these men could testify to.

Mr. FLEMING: Let us clear that up.

Mr. COLDWELL: On the other hand, you would also undoubtedly have requests from certain others. I have in mind a Canadian-British officer who was with the Tito people for a long time as a British liaison officer, who would come here and testify that there is indisputable evidence that, after the first two years or so, Mihailovich did co-operate with the Germans, and this officer could bring documentary evidence, probably, to show that was so. So, what we would be doing would be: receiving evidence on both sides and putting ourselves in the position—as somebody said—of setting up as it were a court. Now, it seems to me that we would have to hear, as Mr. Jaques has said, both sides.

Mr. JAUQUES: Exactly!

Mr. COLDWELL: And, if we heard both sides, not being in a position to sift all the evidence in Yugoslavia, we could not come to any decision and the department could not do any more than it has done at the present time, which is to make representations that these people should be heard.

The WITNESS: The young men have already been indicated to the government of Yugoslavia, together with a very general statement as to the type of testimony they would wish to offer in court there. I do not think we could go very much beyond that. The government of Yugoslavia is in possession of the

facts: that there are these Canadian airmen who were temporarily with General Mihailovich's forces, and that they would like to testify; and that their testimony would be to the effect that there was no collaboration with the Germans during the fairly lengthy period that they were there.

Mr. MARQUIS: Inasmuch as this matter concerns entirely the internal administration of another country, I do not know how we could collect evidence for the prosecution or the defence here. We might contemplate such evidence for a few sittings, and yet be unable to draw any conclusion. I think we should be careful on that point. Should something more concrete be brought before us, perhaps we might have to decide upon it later; but for the time being, I do not think we should act.

Mr. COLDWELL: The trial might be one-sided; we might suspect, but as far as we are concerned, we do not know.

Mr. JAMES: I am very troubled in my own mind on a number of questions. I feel it is not only a question of Yugoslavia. What about the effect on our own people? I myself, am very troubled in my mind. I feel myself in this position: as a member of parliament I may be called upon to debate the matter in the House here, when the External Affairs estimates come up; but we have no real knowledge. All we know is what we are told, what we read in the papers, or what we hear over the radio. I am very disturbed in my mind, and I have been so for a long time. I did hope—and I cast no aspersions, of course—that we might admit witnesses as a means of getting some first hand information, so that we might make up our own minds on this and other questions which are of world importance; I mean questions which may affect not only this country but other countries. I believe, that, as far as the general public is concerned, General Mihailovich has been already condemned. But what affect will it have on these young men, 600 of them who, at their own expense, formed this association and travelled to different parts of the States and Canada, and who are willing and anxious to give evidence on his behalf?

Mr. FLEMING: Have those 600 airmen made representations to the government of the United States similar to those made by the two Canadian airmen to the Canadian government?

The CHAIRMAN: To my knowledge, they have.

Mr. FLEMING: Are the United States asking the government of Yugoslavia to receive the evidence of these airmen?

The CHAIRMAN: They were sent over to Yugoslavia.

Mr. FLEMING: Then, if that be the case, why is the External Affairs committee of the Canadian House of Commons concerning itself with the matter? Surely it is one thing to start interfering with the trial of a Yugoslavian national by a Yugoslavian court on Yugoslavian soil. We are going a little further in saying that American witnesses, whose evidence the United States government has already asked Yugoslavia to receive—cannot we leave that up to the United States government to look after their American citizens? I am heartily in sympathy of our adopting a broad inquiry into anything that relates to the proper functioning of this committee and with equipping ourselves with adequate information. That is, I think, the great function of this committee; but on the other hand, I believe we should have some regard to what we could usefully do in this committee.

Mr. COLDWELL: If, at the present time, there were an External Affairs committee sitting in Moscow, and the External Affairs committee there wanted to interfere with our court in Montreal or Ottawa, there would be an awful row. We would raise an awful row about it.

Mr. LEGER: I believe that this committee, in general, agrees that the Department of External Affairs has done almost all it could do in regard to this subject, and that we should stop at that.

Mr. JAKUES: I hope that is not the general feeling of this committee. My conscience will not give me any peace until this committee hears some evidence. One statement that those young airmen told me: they used to fly over Yugoslavia from Italy, and before they flew over they were warned that if they were shot down, they should avoid contact with General Mihailovich, because they would be shot out of hand, and that it would be better for them to fall into the hands of the Germans. And when they were taken prisoner they expected to be shot every minute. The Chetnik sentry who found them could not understand why they did not run forward and shake him by the hand. So, the interview finally ended by the sentry handing over his rifle to them, and the Canadian airmen walking into headquarters holding the sentry's rifle, and the sentry walking in front of them. They received nothing but the utmost kindness and consideration.

Mr. FLEMING: I think the committee would have to call the Right Hon. Mr. Winston Churchill who said, at least upon one occasion anyway, in a public address, that General Mihailovich had made accommodation with the enemy. So, where are we going to stop?

The CHAIRMAN: Personally, I have enjoyed this discussion, and I believe it will lead to further activities; but I do believe we should leave it now and go ahead with Mr. Wrong.

Mr. BENIDICKSON: If there is no motion already, I think that Mr. Jaques should put one.

The CHAIRMAN: If he would bring his motion before the steering committee, we would deal with it more concretely there and make a report on it.

Mr. FLEMING: I have some questions arising out of the graph.

Mr. JACKMAN: Just before we finish the Mihailovich matter, I have in my riding a number of Jugoslavs including an editor of a Jugoslavic journal with a circulation in Canada as well as in the United States. I have received from him a sheet of clippings, purporting to give interviews with these airmen who were reported to have been saved by General Mihailovich. According to this editor, Mihailovich should be tried before an international court of justice rather than by, I take it to be, a Soviet-dominated political court. Is it considered to be a Jugoslavic domestic court, or is it a Russian war criminal court that is trying him?

The WITNESS: I understand that it is entirely a domestic matter of a Jugoslav court. They are trying their war criminals and General Mihailovich is not by any means the only one being brought up for trial for collaboration with the enemy.

By Mr. Coldwell:

Q. Had General Mihailovich fallen into the hands of someone else, it might be a matter for the International Court.—A. There are a large number of Croatians being charged by the Italians.

Mr. JACKMAN: What would be the effect on our own citizens particularly upon former Jugoslavs, who are now Canadian citizens if they believed that the ends of justice are not served by the present method of trying General Mihailovich not that we can do a great deal about it? Perhaps it is a point that could be considered. I am concerned that our Department of External Affairs should not make representations on behalf of one side of the case. One of our members has suggested that there are certain Canadians, particularly one man who was a liaison officer for the British army with the Tito forces, who takes the opposite view. If we favour one side and not the other?

Mr. COLDWELL: No; these young men wanted to give evidence and they approached our External Affairs Department and our External Affairs Department made representations to the Jugoslav government that they should be heard.

The CHAIRMAN: The primary thought of those young men was to give all the publicity possible to their case and leave it there, so as to have public opinion behind their statement.

Mr. JAKES: The court of public opinion.

The CHAIRMAN: Yes, the court of public opinion, because it means a lot to almost any question.

The WITNESS: Mr. Chairman, I had just begun on the list of major international organizations of which Canada was a member, and I had dealt with the United Nations and the International Court of Justice. The next is perhaps the latest of them all, the International Labour Organization, of which we are a member in general and also the Canadian government is represented on the governing body of the International Labour Office, as a permanent member of the governing body. Then, next I might mention United Nations Relief and Rehabilitation Administration, popularly known as UNRRA, of which we have been a founder and supporter since it began to operate, as well as a faithful contributor to its funds which are available for relief purposes. Then, there is the Food and Agriculture Organization, where, again, Canada has taken a distinctive part in the creation and organization of that body. Then, there is the Provisional International Civil Aviation Organization which is now sitting in Montreal. The aviation organization, another new post-war body, was established by the Chicago conference and it will probably turn itself into a permanent organization as soon as the requisite number of ratifications have been received to the permanent treaty. Then, there are the two international institutions that have issued from Bretton Woods, the International Bank for Reconstruction and Development, and the International Monetary Fund. There are Canadian executive directors on both boards of both of these bodies. Then, there is the United Nations Educational, Scientific and Cultural Organization which is still in process of formation. It is popularly known as UNESCO, the constitution of which was drafted at a conference in London last November, and various preparatory work is going on; but the constitution has not yet come into effect, because there has not yet been the necessary number of ratifications.

By Mr. Coldwell:

Q. Have you any idea when they will be meeting again?—A. There will be a meeting of the preparatory commission in Paris in the fall, and they hope to get the necessary number of ratifications by then.

Q. We shall be represented at that meeting?—A. Yes.

By Mr. MacInnis:

Q. Are we automatically a member of that because of our membership in the United Nations?—A. No, that will have to be carefully ratified. That was the constitutional situation as at the end of the London conference.

By Mr. Coldwell:

Q. Will ratification come before the House after the next preparatory meeting?—A. That I could not say, when it will be brought before the House.

Q. This is an important function and I was wondering when it would come before the House; I was going to ask some questions on the floor, but since you are here now— —A. I think it is probably a matter about which you should ask questions of the minister; in any event, I do not know the intentions of the government.

By Mr. Fleming:

Q. I understand there is nothing to put before us yet until ratification comes; and ratification will not come into the situation until UNESCO has been finally determined?—A. It has been determined or drawn up in London, and it is

awaiting ratification; therefore it is possible, certainly, to bring it before the House at any time.

Q. I think there were some aspects of it to be settled at a conference this summer.—A. That would be to determine some method of operation; the situation is fairly general, and there is a great deal to be filled in. It could be filled in by committees of representative bodies inside UNESCO; I think it has an executive or a smaller body inside it.

By Mr. Coldwell:

Q. Has our representative at the next meeting been decided upon as yet?—A. I am afraid I cannot answer that; they have considered the matter, but whether it is settled I do not know.

Then, there is in process of formation, an organization to be called: World Health Organization. The constitution of it will be considered at a conference opening in New York on the 19th June, at which Canada will be represented. There is in existence a constitution prepared earlier this year by a committee of experts. Most of these organizations are new organizations, but most of them take over or absorb the functions performed by previous organizations; for instance, the Food and Agriculture Organization takes over the responsibilities of the International Institute of Agriculture, an institution of several years standing; and the World Health Organization, when it is created, will take over the international office of public hygiene, a body of many years standing, sitting in Paris. They are not entirely new. There is a process of disappearance involved as well as a process of creation.

I have given ten different organizations, and various sub ones; but these, I think, are the main ones; one could lengthen the list, and there undoubtedly will be new additions. In fact, the prospects, I find, are frightening, with all the multiplicity of these international conferences and bodies, I fear it will lead to a certain amount of public confusion as to what they are; and I am afraid that the necessity of insuring results—the results of most of them are recommendations made to governments, and they require action by governments, with result that they may not be considered as carefully as they ought to be before being presented to governments. That is the danger that is always present, and to avoid it, you have to have well selected, well instructed delegates, operating with the assistance of well trained expert secretariats, so that documents will be properly and carefully prepared, and circulated adequately in advance, for consideration and so on. We may obtain that condition in time, but at the present time, particularly with so many bodies and international agencies just coming into being, and improvising, we certainly have not got it yet. There is a great deal of confusion and difficulty over the operation which has not been diminished by the difficulty of attending and supporting United Nations Organization in the middle of a very large and a very much overcrowded city.

Q. What is the present relation between the International Labour Organization and the United Nations?—A. The present relationship is completely undivided as yet; it is a matter which is under study at the present time. There is a group in New York now, negotiating with the economic council in order to work out an agreement which will have to be approved by the International Labour conference next September, and by the General Assembly of the United Nations before it becomes operative.

Q. By the General Assembly or by the Social and Economic Council?—A. I think the General Assembly has to approve the terms of the agreement, but I may be wrong. It would depend on the language of the charter.

Q. My recollection was the Social and Economic Council had the right to decide what the organization should be. International organizations, specialized agencies may have to be ratified subsequently.—A. It is responsible for the

negotiations of working out the details, yes; article 63 of the charter says that the Economic and Social Council may enter into agreement defining the terms under which the agency concerned shall be brought into the United Nations; and the General Assembly has the further responsibility of co-ordinating their activities.

By Mr. Fleming:

Q. Has the difficulty presented by the World Trade Union Congress been overcome in that respect?

By Mr. Coldwell:

Q. The World Federation of Trade Unions?—A. The charter provides for two different types of organization; the passage to which I have referred deals with governmental agencies set up by international agreement; there is another article which refers to non-governmental international organizations.

By Mr. Fleming:

Q. The problem arose in a very acute form, I believe, last year, at the time of the San Francisco conference. It also arose at the second assembly in a pretty acute form.

By Mr. Graydon:

Q. It is in the report of the two London conferences?—A. Yes, this document is a report of the Canadian delegation at the London conference.

Q. If my memory serves me correctly, that has been pretty well decided; the World Trade Federation, the Federation of World Trade Unions made a very strong plea representing that they were the agents or representatives of some 66,000,000 workers of the world. The difficulty came up that they could not qualify under the terms "inter-governmental organization" and only inter-governmental organizations were permitted under the charter to be brought into what is known as specialized relationships with the Economic and Social Council. And, when that was done, there was, as you know, a good deal of spirited controversy which divided the nations very materially on that particular point, both at San Francisco, and, in a more acute way, I think, at London. The result was that one of the American delegates, when the matter was brought up, suggested that the American Federation of Labor should also be represented in the same way as the Federation of Trade Unions; so a compromise was arrived at that on special occasions these organizations which had world responsibilities would be invited into the discussions as part of the deliberations, but would not be included in the same way as an ordinary governmental organization. That was the way it rested. I do not know if everybody is satisfied, but I think some finality has been achieved.—A. To supplement Mr. Graydon: the Economic and Social Council has a second negotiating committee to deal with the non-governmental organization, and the General Assembly in London did request the Economic and Social Council to consider the relationship which should be established between it and such bodies.

That is not an exclusive list, but those are the only three bodies or organizations that were named by the General Assembly in their resolution. It was, perhaps, the most long fought over issue that was before the General Assembly in London.

By Mr. Coldwell:

Q. Was the position of the I.L.O. as acute in London as it was in San Francisco?—A. Not quite, because at least it was agreed by the general assembly that the Economic and Social Council should negotiate an association with the I.L.O. by name as well as with the agricultural organization and others. There was no taboo in the official document naming the I.L.O.

Q. As it had at San Francisco?—A. Quite so.

By Mr. Graydon:

Q. May I ask Mr. Wrong this question, before he goes: I think he is going to give us, at the next meeting, a list of those representing foreign countries and missions that are established in Canada. I was wondering if he had brought that list with him to-day.—A. Yes, I came prepared to do that, Mr. Chairman. We took rather a long time in getting around to it.

Q. But you are not to blame for that?—A. I have a complete list here, but it is not in a form suitable for printing in the record as it stands. I take it you will be interested more in a comparison of the larger diplomatic missions here?

By Mr. Fleming:

Q. I would like to have some details about that. I have reference to the question asked on page 13 of the minutes of May 21, as to complete staffs. I wonder if Mr. Wrong would enlarge on that when he speaks about complete staffs?—A. I was not thinking about the very small missions; for instance, the Danish mission is shown as having but one diplomatic officer and nobody else.

Q. I think that is information which should go on the record.

The CHAIRMAN: We could have it as an appendix.

The WITNESS: This table involves a good deal of work and I have not had much of a chance to look it over carefully as yet.

Mr. MacINNIS: Mr. Wrong could look it over and send it back to us.

The CHAIRMAN: Yes.

By Mr. Graydon:

Q. How many are there in the Russian employ here in Canada?—A. This shows the latest return of the Soviet Embassy: 13 diplomatic officers; 67 non-diplomatic; making a total of 80. And there is a list of Soviet employees here, for comparative purposes. Those shown by the United States: 21 diplomatic officers; 76 non-diplomatic, making a total of 97. Those shown by the French Embassy: 12 diplomatic, 22 non-diplomatic, making a total of 34.

I may explain that in the case of the Soviet Embassy, they list nearly all those who are not on the diplomatic list simply under the title of "employee", and they do not make any distinction between the kitchen maid and a senior clerk in their description.

By Mr. Coldwell:

Q. A number of these, then, would be Canadian nationals?—A. No; I can give the figure: there are none for the USSR, they employ solely Soviet nationals. But in the case of the United States, all their diplomatic officers are, of course, American citizens; but of the 76 non-diplomatic staff, there are 33 that are Canadian nationals. In the case of France, of the non-diplomatic staff, 17 out of 22 are Canadian citizens.

Q. Are there no Canadian citizens listed as employees of the USSR?—A. No.

The CHAIRMAN: That list which is to be ready by to-morrow, would it be possible to forward it to the clerk in order to have it in our record.

The WITNESS: Yes, I think we could do that.

By Mr. Fleming:

Q. Are military attachés shown in all cases as diplomatic representatives?—A. The diplomatic list, which is published every couple of months, includes military attachés, and at least the senior commercial people and various others. For instance, the American Embassy has a Labour and Agricultural Attaché, and so on.

Q. I wonder if Mr. Wrong, in preparing his table for the record, would segregate Canadian nationals in each case, so that we will know who are nationals and who are not?—A. I might say, at this stage, that I am not sure that the figures are strictly comparable. They were given in response to a circular communication sent out by the department to all diplomatic missions in Ottawa. They did set forth what we wanted to know, but I do not think they are compiled on a strictly comparable basis.

By Mr. Leger:

Q. Could we have the names of the people in each and every embassy? I do not want you to give the names, but if you get them in your own department, you would have them for your own information?—A. What we require is that every few months our missions in Ottawa give us a complete nominal roll of their personnel divided into three categories, diplomatic employees whose names are on the diplomatic list; office employees; and household employees, or domestic servants, for instance, of an ambassador or a minister, showing the names and showing the nationality in each case. I think there is not included in this total the wives and children, in the case of those who are not Canadian citizens. If there are any, then they should have come in as members of the suite of the ambassador, which is the classical phrase to describe them; but I have excluded wives and children from the table.

Mr. MACINNIS: It is one o'clock now, may we adjourn?

By Mr. Fleming:

Q. Will Mr. Wrong be with us again?—A. I think I possibly could manage it, although I would like to have notice in advance, so that I can be sure that I won't make any statement which will be misleading to the committee.

Q. Well then, before the next meeting, I would state my questions as follows: in connection with page 13 of our minutes, as to the relationship between the Economic Division and the Canadian Information Services?—A. The Information Division, that would be?

Q. The Information Division, which is related to the Canadian Information Service. The other point was this: I wanted to ask Mr. Wrong what steps are contemplated, if any, to put on the permanent staff of the department any or all of the very large number of persons who are now classified as employees of the temporary staff?

The CHAIRMAN: We will leave that to the chair for the next meeting. I will ask Mr. Wrong if it will be possible to have the names of the head men of these divisions, for my own information?

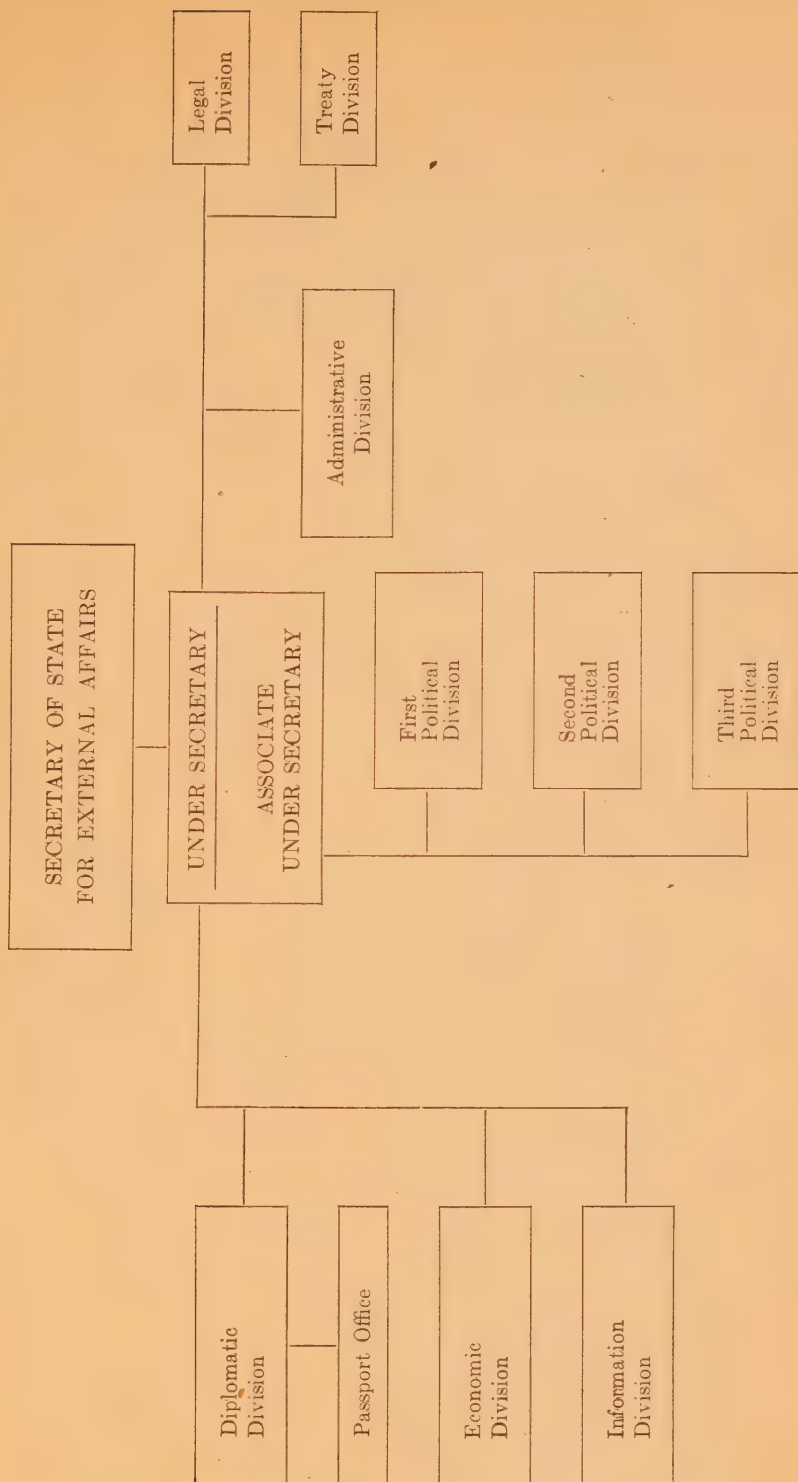
The WITNESS: You would like to have a list?

The CHAIRMAN: The steering committee will meet to-morrow at my office at 2 o'clock. The meeting is adjourned. Thank you very much, Mr. Wrong.

The meeting adjourned at 1 p.m. to meet again at the call of the chair.

APPENDIX A

ORGANIZATION OF THE DEPARTMENT OF EXTERNAL AFFAIRS AT OTTAWA



APPENDIX B
SECRETARY OF STATE
for
EXTERNAL AFFAIRS ABROAD.

HIGH COMMISSIONER'S OFFICE	EMBASSIES	LEGATIONS	CONSULATES	Canadian Military Mission Germany
London England	Buenos Aires Argentina	Havana Cuba	Consulate General New York, U.S.A.	
Canberra Australia	Brussels Belgium	The Hague The Netherlands	Consulate Portland, Maine, U.S.A.	
Wellington New Zealand	Rio de Janeiro Brazil	Oslo Norway	Godthaab Greenland	
Pretoria South Africa	Santiago Chile	Copenhagen Denmark	Lisbon Portugal	
Dublin Ireland	Nanking China			
St. John's Newfoundland	Paris France			
	Athens Greece			
	Mexico City Mexico			
	Lima Peru			
	Moscow U.S.S.R.			
	Washington U.S.A.			

APPENDIX C.

NUMBER OF PERSONS SERVING ON THE STAFF OF FOREIGN
MISSIONS AND HIGH COMMISSIONERS' OFFICES
IN OTTAWA.

NOTE:—These figures are based on returns submitted by each mission, giving nominal rolls of personnel in various categories. The returns employed in compiling this list were received in May 1946, except in a few cases in which an earlier return or other information has been used.

	Diplomatic	Office	Non-Diplomatic Household	Total	Total of Diplomatic and Non-Diplomatic
Argentina	5	0	2	2	7
Australia	4	11	2	13	17
Belgium	4	2(2)	6(4)	8	12
Brazil	4	2(1)	6(3)	8	12
Chile	3	1(1)	4(1)	5	8
China	8	3(1)	4(?)	7	15
Cuba	3	0	2(1)	2	5
Czechoslovakia	2	4(2)	3(3)	7	9
Denmark	1	0	0	0	1
France	12	15(10)	9(7)	22	34
Greece	3	1	2	3	6
Ireland	2	2(2)	4(?)	6	8
Mexico	4	5(3)	4	9	13
Netherlands	2	1	0	1	3
New Zealand	4	7(7)	2(2)	9	13
Norway	4	6(3)	4(1)	10	14
Peru	5	0	6(1)	6	11
Poland	9	3	0	3	12
Sweden	4	5(3)	4(4)	9	13
Switzerland	2	1	0	1	3
Turkey	3	2(2)	0	2	5
Union of South Africa	2	4(4)	2	6	8
Union of Soviet Socialist Republics	13	—	—	69	82
United Kingdom of Great Britain and Northern Ireland	10	27(11)	5(3)	32	42
United States of America ...	21	69(30)	7(3)	76	97
Yugoslavia	1	2(1)	0	2	3

Figures in brackets indicate the number of Canadian Nationals included in the figure immediately before them.

Wives and children of diplomatic and non-diplomatic personnel are *not* included in this return.

Zeros indicate information not supplied by mission concerned.

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External Affairs Standing Committee
1946

(SESSION 1946)

Calgary 1950 59
Hermion 65 161

(HOUSE OF COMMONS)
DEPT. OF EXTERNAL AFFAIRS
UNIVERSITY OF TORONTO

(STANDING COMMITTEE)

(ON)

Internal, external & procedure
N.B. 71

EXTERNAL AFFAIRS

Government
Publications

MINUTES OF PROCEEDINGS AND EVIDENCE

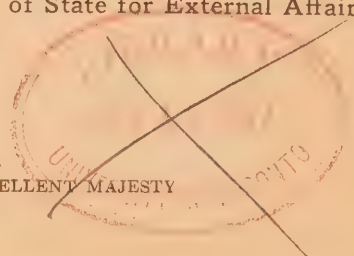
No. 4

TUESDAY, JUNE 4, 1946

WITNESS:

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

TUESDAY, June 4, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock, Mr. Bradette, the Chairman, presided.

Members present: Messrs. Beaudoin, Bradette, Breithaupt, Cote (*Matapedia-Matane*), Diefenbaker, Fraser, Graydon, Jackman, Jaques, Leger, MacInnis, Marquis, Picard, Sinclair (*Ontario*).

The Committee resumed consideration of *item 41* of the estimates referred, being departmental administration.

Mr. H. H. Wrong was called and in answer to requests made at previous meeting gave,—

1. The policy of the department in connection with appointments to the staff, how temporaries were and are being affected by the release of active service personnel and methods employed in conjunction with Civil Service Commission to filter applications.
2. The functions of the information division and its relations with Canadian Information Service.

Mr. S. D. Hemsley and Mr. F. H. Soward of the department assisted the witness.

The witness was examined and retired.

The Chairman announced that at the next meeting Mr. F. P. Varcoe, Deputy Minister of Justice, would attend to make a statement.

The Committee adjourned at one p.m. to meet again at 11.30 a.m. Friday, June 7th.

F. J. CORCORAN,
Acting Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 4, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Thank you, gentlemen, for being here this morning. I know it has been difficult because there are many committees sitting. I believe it will be in order now to call Mr. Wrong first because he is going to answer some questions. Then after we have heard Mr. Wrong, if we have time, we will hear Mr. Varcoe the Deputy Minister of Justice.

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs, recalled

The WITNESS: Mr. Chairman, there were two matters introduced at the last meeting upon which I was going to give information to the committee. Those two matters were the present status of temporary employees in the Department of External Affairs and the work of the information division of the department and its relationship to the Canadian Information Service. With regard to the first matter I should like to make a statement concerning two groups of temporary employees and then ask Mr. Hemsley to supplement my statement, because he knows a good deal more than I do about administrative arrangements and discussions with the Civil Service Commission. With regard to the second matter, I should also like to make a brief statement and ask Mr. Soward to deal with that matter. He has come with me today, and he is supervising the work of the information division at present in addition to his other duties, because the chief of that division, Mr. MacDermot, has been loaned temporarily to the Secretary General of the United Nations to assist him in the recruiting of staff for the secretariat and he is now in New York.

Now, dealing with the question of the temporaries, as I said, there were two groups. During the war when the work of the department expanded phenomenally, it was necessary, of course, to add to the executive staff of the department. We did that largely by borrowing people from universities and from other employment. In the main they were people who would be able to return to their previous employment at the end of the war if they so wished. There are a considerable number of officers of the department, and some stationed abroad, who were appointed temporarily in that capacity. Some of them have already returned to their previous employment, to our regret, and some of them, including Mr. Soward himself who is here today, are going to leave us before the beginning of the next academic year. Some of these people we are very anxious to keep in the department. We have been running a competition through the Civil Service Commission for appointments in the senior grades of the foreign service, grade III to grade VI, which are open to all comers. We did it that way so that the veterans' preference could be given a full chance to operate. Those who could qualify for admission from the army would be entitled to the veterans' preference over any of those whom we had temporarily employed during the war who did not possess the veterans' preference in the last war, as a number of them did not, even if those we temporarily engaged without veterans' preference

might, on paper, seem to be the better men. That competition, I hope, will be finished within a couple of weeks and the results made known. One can say that that particular group of temporaries is being looked after completely.

The second group of temporaries, consisting of younger men for the most part, whom we have recruited in the last eighteen months or so from the armed forces by competition for foreign service officers, grade I, II and III, is open only to those possessing overseas service preference. Since last September we have actually made in all 74 appointments—74 male appointments, 73 of whom possess veterans' preference. The one who does not possess veterans' preference was too young for active service and is a clerk grade 1. That, I think, is a fairly respectable record from the point of view of observing the veterans' preference regulations.

In that group, of all grades in the department, there are, perhaps, 45 who will be graded as foreign office officers, all of whom have passed the competition to enter the department but have not yet served the required length of time to be made permanent. Some of them have served over a year, but I have felt myself that it was unfair to make permanent a lad who, perhaps, was able to come out of the army ahead of another lad, and so to have technical seniority on our books. I would prefer myself to make permanent groups of those junior foreign service officers, 10 or 12 of them at a time, so they will have their permanency from the same day. One fellow might be in hospital and not be able to report for duty and another fellow might be available. Some of them came in before the end of the war when the armed forces released them. There is the other large group of senior staff of the department all of whom are in the process of being looked after, though their status at the moment is temporary. I think Mr. Hemsley could supplement my remarks about the other ranks of the department.

MR. HEMSLEY: Mr. Chairman, I think it is the department's wish to grant permanency to all who have been in the department and have seen it through its rapid expansion, but we are limited by certain regulations that have been imposed by the Civil Service Commission in asking for permanent appointments, because permanency can be granted only to those who are qualified for permanency. None of the commission's examinations, since the beginning of the war, have qualified people for permanency with few exceptions. One exception is our foreign service officer positions which were advertised in the armed forces orders overseas, and competitions were held not only in Canada but actually in Europe. So the commission considered that the rights of everyone overseas had been fully protected and they permitted that competition for foreign service officers. They considered the competition fair for qualifying for permanency. The reason for their holding temporary tests only since the beginning of the war was to protect the rights of those who could not compete in their examinations; those men and women who were overseas. So that most of our clerical and stenographic staff who have been taken on have the veterans' preference but have not yet qualified formally for permanent appointment.

Two or three years ago the commission took its first step to regularize the situation by holding its first dominion-wide permanent qualifying stenographic examination since the early days of the war. We now will endeavour to qualify all our stenographers under that competition and all our clerical accounting personnel under appropriate competitions as soon as they are held. Once the employees have their permanent status by examination and have served the required probationary period and have given satisfactory service I think it will certainly be the wish of the department to recognize their performance in the granting of permanent status.

MR. MACINNIS: I understand there is a Civil Service regulation covering all departments whereby a certain percentage of the staff is permanent and a

certain percentage is considered to be temporary; does that apply to the Department of External Affairs?

Mr. HEMSLEY: Yes, it is a Treasury restriction rather than one of the Civil Service Commission.

Mr. MacINNIS: Mr. Wrong referred to two classes of temporaries: the true temporaries those who came in just for a temporary period—and a peculiar class of temporaries known as permanent temporaries. I do not know whether there is a definite percentage in each department or not; is there?

Mr. HEMSLEY: It used to be 80 per cent. I think as far as our department is concerned we have something rather special in that way in that we have in our foreign missions quite a few people who are not Canadian citizens and cannot be made permanent, but we would probably take care of the 20 per cent. I think most of our Canadian nationals, both in the diplomatic range and the administrative end, if qualified for permanency could be made permanent.

The WITNESS: In respect of our foreign missions there is a unique condition in our service. For instance, the senior messenger in the Washington Embassy who is a very faithful and capable coloured man, has been with the Washington Embassy, I think, since 1928, but he cannot become permanent because he is an American citizen. I regard him as a permanent temporary in the sense used, and I hope he will remain until he reaches the age of retirement.

Mr. MacINNIS: That is unique.

The WITNESS: Yes, that is unique, and it applies mostly to us. The Department of Trade and Commerce may have some similar cases in connection with their trade commissioners' offices abroad, but it would apply only to a department which maintains a sizable portion of its personnel outside of Canada and has to engage local labour for certain duties. As I think I told the committee before, our policy is to have British subjects, and as far as possible Canadian citizens, employed in any capacity involving confidential work at all our missions abroad; and they, of course, can become permanent civil servants just as much as those who serve in Canada.

By Mr. Fraser:

Q. Mr. Wrong mentioned the preference given ex-service men by his department. I have here a return tabled on May 20, and one thing that stands right out is that the Department of External Affairs in percentage is away ahead of other departments in connection with the preference granted to ex-service men.—A. I should like to say, if I might, with regard to the first competition to which I referred for appointment to senior ranks in our service that when the results are announced I believe it likely that there will be a number of people who will qualify who are peculiarly qualified for the work, people who may have been engaged for four or more years but who have not the overseas preference. That group includes nearly all of them, and I think probably all of them are people who were too young to have seen service in the last war and too old for operational service in this war. Or there would be a group of younger fellows who were not passed physically fit for military service. The percentage will, I think—and I must say I fervently hope—be somewhat reduced because I do not know what we would do if we did not get perhaps 8 or 10 approximately of these people who include some of our most key men both in Ottawa and in the posts abroad in a permanent capacity in the department.

Mr. MARQUIS: Maybe the temporary employees who have worked for one or two years will have a preference in employment and in passing the examination will be employed permanently above others who make the application?

Mr. HEMSLEY: No, in theory the examination board is supposed to discount any experience an employee has gained in what might be considered an improper

manner, which would be temporary employment before the competition; but they would naturally benefit in the competition by the experience they had gained on the job.

The WITNESS: It is not regarded as something in itself that actual service qualifies a person, but by the experience he is better qualified to compete against all comers because of the fact of his temporary service.

Mr. MARQUIS: Consequently, if one man was a civil servant and had worked in the department for two or three years, he would not have any preference over the veterans who make application?

Mr. HEMSLEY: That is right.

Mr. JACKMAN: One occasionally hears the criticism, probably from uninformed sources, that the Department of External Affairs is pretty well staffed by ex-university dons and others and that there has been a very small infusion of business men. I am not speaking so much of the new young fellows because they have not had much chance to have experience except in the army, but in the case of some of the more senior appointments which have come up to the rank of minister, if you like. Occasionally the criticism is heard that the department is overloaded with professors and university people. I do not mean that they are not valuable, but there is no proportion of men who have had experience in negotiating in business and other fields of endeavour. Would you care to express an opinion—it could be your personal opinion—as to the fitness or background for the work of the department—that is university versus business training?

The WITNESS: Mr. Jackman knows that I can hardly accept an argument that academic training is a disqualification for the diplomatic service, because members of the committee may not know that Mr. Jackman was once a student of mine in the University of Toronto.

Mr. COTE: Mr. Jackman would be satisfied with the answer that not many business men would accept the salaries which university professors might accept.

Mr. BREITHAUP: I think a happy combination of both classes would be desirable.

The WITNESS: I think we have drawn from both sources. We have several people with business and legal experience in the department now and some who were in that class of wartime assistant who I hope we take on permanently; and we also have several with some background in academic life. I think it is true to say that most of the senior officers of the service including, let us say, Messrs. Robertson, Pearson, Keenleyside and myself, although we all at one time or another had been associated with various universities, have spent many years in the service, and that such qualifications as we have acquired for the conduct of external affairs of Canada have been acquired as members of the Department of External Affairs rather than as the result of academic experience several years ago. I should like to say that we have been greatly assisted by the people from the universities who we have secured temporarily during the war. I do not think we could have carried on without them. On the whole, it was easier to get people from the universities because the university presidents in many cases co-operated with us. The number of undergraduates fell during the war and the pressure on the staffs at the universities diminished and the universities were able to keep their places open. Apart from that, a man could come temporarily and know that he would be able to go back to his position, a situation which does not normally hold good in business, and still less in the legal profession. Their background and knowledge of international affairs was very valuable, and particularly valuable in the work of the department.

Mr. COTE: Do the requirements of the Civil Service Commission call for university degrees in many of the positions in your department?

The WITNESS: For admission to the foreign service we require graduation from a university of recognized standing so as to ensure that we have people who have had the opportunity of developing their background of knowledge and their processes of thought beyond the high school stage. That, I think, is common in all the foreign diplomatic services of the world.

By Mr. Fraser:

Q. Does it matter what subjects they have passed in; what they got their degree in?—A. No.

Q. Whether it is in arts or science—it does not matter?—A. No. In a competitive examination a man who had qualified in engineering would have greater difficulty in a competition than a man who had qualified on the arts side; but he is eligible to enter, and we have, in fact, some people in the department who are graduates in engineering.

By Mr. Graydon:

Q. Have you any graduates of any of the agricultural colleges who have been accepted and sent to missions abroad to represent Canada?—A. No.

Q. Why is that? I am not critical about it especially, but it seems to me that one of the things I noticed, for instance, in the United Nations Organization, was that I was not able to find any farmers at all. Perhaps I might make one exception—that is the Minister of Agriculture who was there for part time.—A. I was about to ask you whether you would not make an exception for the Minister of Agriculture.

Q. On certain occasions in the House of Commons I have made that exception although, perhaps, I think he is academically trained in other lines as well, so he may be both. It seems to me that the agricultural colleges across the country ought to supply some quota because I look upon the farm as being important not only in a domestic realm but also in the international realm. I think that is a point that might well be considered by the Department of External Affairs when picking men for service abroad. Whether we like it or not, the men we send to other parts of the world are the only means by which this country can be seen by people of other lands, and the show windows that we send to other nations ought to be representative show windows of our national and economic life. I do not think we will give a true picture of Canada unless we have agriculture represented somewhere in the picture, and that is the reason I make the suggestion I have. This is a pet theme of mine, so perhaps you will pardon me for airing it on this occasion.—A. May I make a comment on Mr. Graydon's suggestion? There is a tendency, a desirable one, in representation abroad, to attach to diplomatic missions specialists of various sorts. The United States government has, in certain countries, appointed agricultural attaches to their missions. There is one in Ottawa, whom, I dare say, some of the committee know—Mr. Clifford Taylor, who was here for many years and has moved to Warsaw. We have not as yet got around to doing that. I think it is quite likely that within the countries that are more important to us there will be specialists in agriculture appointed during the next few years. In England there is a certain amount of agricultural representation. There is an agricultural commissioner in London, and there are also specialists in food products on the trade commissioner's staff in London—specialists in fruit products and animal products. Of course, we have in Washington in connection with our participation in the combined Food Board a constant representation of the agricultural front, as one might call it, of Canada, and also there is a constant stream of Canadians going down there who are experts in production and the marketing of agricultural products.

By the Chairman:

Q. Mr. Wrong, would a university qualification be requested for all representatives abroad?—A. All those who were appointed as foreign service officers.

Q. That would not apply to the head?—A. Not necessarily. That is an appointment that is made by the government. A number of our missions are now headed by persons who have been promoted from the ranks of the foreign service, such as Mr. Pearson in Washington, Mr. Wilgress in Moscow, Mr. Keenleyside, ambassador to Mexico; and, of course, there are outside appointments as well.

By Mr. Graydon:

Q. Might not the all-university qualification bar some of our returned men from the services of Canada? I do not know what your experience is, but all the smart people are not university graduates, and all the people who can render the best service are not always graduates of universities; and while no one suggests that such a training is not a grand thing, at the same time I am not so sure that you should make it such a completely hard and fast rule in connection with that work. There must be a good reason behind it. I do not wish to be unduly critical.—A. The normal method of recruiting for the service—and ours is a lifetime professional service—is to take in young men of the age of 20 or 21 up to 25 or 26, and I do not think a young man who had gone from high school into business and then competed for admission as a foreign service officer grade I would have acquired in that interval an experience which would be more useful to him as a member of our service, by engaging in business or in some other profession, than he would have if he had attended a university during the interval; and that is what our regulations are based on. The idea is to bring men in about that age, not younger, because we cannot send a young, immature person abroad even as a third secretary at a large mission.

By Mr. Diefenbaker:

Q. I was reading the other day that in the United States a school for diplomatic students or attaches is being established with a view to giving special training to ambitious young men who wish to go into the service, to ascertain whether or not they have the qualifications. Are we doing anything like that?—A. I do not know the details about what they have done in Washington. They have, of course, to deal in so much larger numbers than we have that they have been able to adopt more regularly organized methods of training than we have been able to do here. Our training is mainly what might be called an in-service training. We try to give a variegated experience in Ottawa to the young men who come into the department, and we send them abroad after they have proved that they are some good. We give them that experience in the foreign field and move them around quickly.

Q. I have in mind two or three young men who have come back from overseas and are much attracted to the prospect of the diplomatic service, but as they put it to me that they find it difficult to get consideration given to their applications. How should a young man desiring to have consideration given to his application go about it?—A. As Mr. Hemsley said earlier, we published in the orders of all the services at home and abroad details about the competitions. We received a very large number of applications, far more than it would be possible to bring to Ottawa to interview. We have, as I think we have to have in these cases, a sifting on the basis of the recommendations made about the individual, first. A great number have appeared before the examining boards. There is still a residue. I imagine those in whom you are interested are, probably, from the west?

Q. Yes, they are.—A. There is a residue. We do not like to ask these young men to pay their expenses to come to Ottawa to sit on the board here,

and we have not been able to arrange with the Civil Service Commission for a board to go to the west to interview them yet. I hope to do that within six weeks.

Q. I am glad to hear that, because I think at the present time these men have a legitimate ground for complaint.—A. We are aiming to have a board sit in Winnipeg to hear about 10 or 20 applicants from the prairie provinces the first week of July.

Q. How many applications have you had in the last year?—A. That is a question only the Civil Service Commission could answer.

Mr. HEMSLEY: I think in the foreign service officer competition there must have been something over 1,000.

Mr. DIEFENBAKER: How many of those passed their examinations?

Mr. HEMSLEY: About 40 have been accepted.

Mr. DIEFENBAKER: Out of 1,000?

Mr. HEMSLEY: We have 68 more of this group to interview. They are the men who wrote the written examinations last November and were successful in the written examinations.

Mr. DIEFENBAKER: Who conducted the interviews after those young men passed the examinations?

The WITNESS: The exact procedure is this: the application is examined, and a simple written examination is given. We suspended the rather more difficult examination system which we had in force before the war because it seemed quite unfair to ask people who had been in the armed forces perhaps for five years to pass a fairly severe examination of academic standards. We substituted for it a simple examination designed to show whether the candidate had any capacity for thinking for himself and expressing what he thought, and very little more. On that basis we were able to decide that a large number of candidates were obviously unsuited, and we dropped them. The remainder are brought up for interview by the board which the Civil Service Commission and ourselves jointly cooperate on. References are secured.

Mr. DIEFENBAKER: Who are your representatives on the board?

The WITNESS: It has been such a big job that we vary the representation from time to time. Ten or a dozen senior officers in the department will sit on the boards from time to time. There is no other way to handle it. I myself sat on the earlier boards and found it was physically impossible to attend all the boards.

Mr. COTE: The examination of the Civil Service Commission having been passed by the applicant, do you think it is possible for anyone who has not a university degree or academic training to cope with these examinations and get into the service?

The WITNESS: I do not think I have actually seen the last paper we had, but I have set one or two of them myself. The main test was to ask the applicants to write an essay on a choice of about ten different subjects on widely selected scientific, literary, historical and military subjects. We always put military subjects for those coming from the forces. They are written in English or in French, and they have to write the examination in, I think, three hours. That is the simple test, and it is surprisingly effective. We also started a second paper. Perhaps Mr. Soward would explain.

Mr. SOWARD: In the examinations held in October and November we had an essay and then a paper, also of three hours' duration, in which there was a choice of questions. One question was on the government of Canada; another group of questions was on current events of a well known nature, certain personalities, certain problems. These were all designed so that those who

have come back from overseas would not feel that they were asked to answer something which was out of their grasp. These papers were read in the department; I was one of the group who read them; and we endeavoured to pick out candidates who had an average of approximately 75 per cent for the final selection on the oral examination. In my own judgment I feel that the oral is as important as the written examination, but you must screen the group and by screening them in that way you bring down the pick of the students for the final discussion of half an hour or so on their background, interests, training, hobbies, and views on current questions.

Mr. COTE: That explains why there are not very many in the service who have not gone through university and have not got a degree. Do you think it is feasible to secure people outside of universities, people who have not that training?

Mr. SOWARD: It is not impossible but it is very difficult. The student has learned an organized method of study and approach to questions and has a certain body of opinion which he has learned in his university years which remains with him.

Mr. MARQUIS: If an agronomist, such as Mr. Bracken, applied for a position in the foreign service and passed his examination would he be accepted just as any other graduate from any university?

The WITNESS: Oh, yes, certainly.

Mr. MACINNIS: Mr. Wrong, I do not think that holding the higher positions in the Civil Service for university graduates is peculiar to the Department of External Affairs. I understand it is the policy in all the departments as regards Civil Service staff. I have looked over the examination qualifications for most of the positions, and as far as I can remember all of the higher positions require university graduation. I do not know how effective examinations are. I think I would agree with Professor Soward that a person would have a better opportunity of realizing the abilities of the person concerned by an oral examination. I remember reading in the British Agent, Bruce Lockhart's account of his examination to get into the British foreign service.

By Mr. Fraser:

Q. I would like to ask Mr. Wrong a question. After the oral examination you say you screen them. Does not appearance and manner of expressing oneself count in that too?—A. Yes, and general adaptability. That is a very important quality.

Q. That is left to the members of the department?—A. It is done by a board on which our department is represented and the Civil Service Commission is represented also; and at times we have, because these boys are coming out from the services—we have, I suppose I could call them, assessors from the services concerned who have reports on the individuals, when they can get hold of them when they are in Canada and not overseas, and the latter inform the board of the nature of the confidential reports on their army, navy or air force service, which is a valuable guide to the sort of qualities we want in a young man. Our problem is to reduce the very large number of candidates to the very small number of appointments we can make. There is abroad the idea that there are far more openings in the Department of External Affairs service than in fact is likely to be the case, at any rate in a year or two. I do not know what our annual rate of intake will come down to. Before the war it was an average of not more than two or three new appointments; it will now be perhaps in the neighbourhood of ten, when we catch up with the backlog caused by the failure to make permanent appointments for several years. There will be a large intake now and I think in 1946, and then it will taper off.

Q. With regard to your figures on this return: how many civil servants were taken on in the last six months—that would be six months before the return—the figures given are 51 permanent and 50 non-permanent?—A. A good many of the 51 permanents would be replacements of people who had resigned from the temporary staff of the department. I could not give a breakdown on that. I think most of the 50 non-permanents would in due course become permanent as soon as we can get the mechanics to operate.

Mr. PICARD: I should like to ask a question about examinations. Is it the intention of the department to go back to the former system of having the various examinations so stiff that even the foreign secretary of many nations could not qualify? We used to get good men, we have the evidence of that in those who are in the department now, and I wish to pay a compliment to them; but I remember the time when we had 200 applicants and only 20 qualified and only 4 of the 20 were called in. I think at that time the examinations were much more restricted probably than they have been in the last year or two.

The WITNESS: I should not say that we would revert exactly to the pre-war system. I should hope not. That would be rather an urge to adhere to past practices in a changing world; but we will no doubt stiffen the examinations as we get further away from the particular problem of not imposing a handicap on those who have been in the armed services and are a long way away from school and university, so that they are not able to pass an examination which must inevitably be based on what I might call book learning.

Mr. PICARD: I think if we had to pass examinations to be able to sit on this committee, or even to be a minister of foreign affairs, some of the examinations I have read were so stiff I do not know who would pass. Remember it is all for the good of the service. I wondered if that was the practice, but I am satisfied with the answer.

By Mr. Jaques:

Q. Mr. Chairman, is there any notice taken of the applicant's political stripe? I do not mean whether he is a Liberal or a Conservative. This is a serious question. I do not mean party politics. It has been made abundantly clear that the Communists have declared that they have no loyalty to this country, and I think they should be absolutely barred from representing this country. What methods, if any, are now used to see that those who are in the service are loyal to Canada and not to Moscow? Certain things have been made so clear in the spy trials.—A. We certainly do not conduct any inquisitions into the political opinions or the party affiliations of members of the service. I have no idea what way my colleagues in the department cast their votes.

Q. Neither did the Research Council. They had, perhaps, no idea what their employees were doing, but it seems to have been a disastrous policy.—A. I was going to add that in the course of investigating applicants we get references from a number of people who in most cases are fairly well known citizens and know the individual concerned, and where possible—and it usually is—we supplement this by private inquiries and we attempt at least to secure that those admitted to our service, in the words of Mr. Jaques, are loyal Canadian citizens. Beyond that I think it would be most unfair for us to conduct any investigation into political affiliations.

Q. Suppose it became known, and these things are known, that any employee in the Department of External Affairs had adopted Communism, would that affect his standing in the department; would he still continue to be employed?—A. It would certainly depend on how that was manifested. I do not want to enter into this is a burning situation in Canada at present—I think I would be speaking out of my role if I did—but if there is any possibility that this might lead the person concerned to depart from his oath of secrecy or in any way not to be a faithful and loyal member of the department, it would undoubtedly enter into our calculations.

Mr. MACINNIS: Both after the appointment as well as before?

The WITNESS: Yes, both after and before. Second, we receive reports from those under whom they work, the responsible chiefs of all the employees of our service; and the chiefs of the missions abroad are required to give their view on the members of the staffs. These are secret reports.

By Mr. Fraser:

Q. You would not allow a member of your staff to pass a hat around in your department to raise funds to help in the defence of these espionage cases which we have at the present time?—A. Certainly not.

Q. That is what they did in the National Film Board.

Mr. JACKMAN: Members of the committee are no doubt interested in the co-ordination of the Department of External Affairs with the other departments of the government, and perhaps we should have an eye to the economy of carrying on the government. I understand that the United States Embassy here has, in addition to the agricultural attaché, attachés for civil air and also for labour and probably for other departments which I do not know. We will, I suppose, in time follow the same practice of having attachés for important subjects in the department, and I should like to ask in that connection as to our high commissioner's office in the United Kingdom. Mr. Wrong mentioned that there was a man there—an attaché perhaps we might call him—having to do with agriculture. Would he have jurisdiction over the possibility of developing food markets in Great Britain? Let us take the bacon market. After the government agreements are through, would he be the proper person to seek information from in regard to a subject like that, or would the information filter to the other government departments such as Agriculture and Trade and Commerce, and would they have jurisdiction? Would that be the place to find out about the possibility of food markets in Great Britain?

The WITNESS: The principal responsibility of the Department of Trade and Commerce is to find markets for Canadian products, and that is the responsibility of the Department of Trade and Commerce and their representatives in the United Kingdom. It is under the Department of Trade and Commerce that there are specialists in certain products in the United Kingdom.

By Mr. Jackman:

Q. What does your man do?—A. He is not under us. There is also a representative of the Department of Agriculture there called, I think, the agricultural commissioner, Colonel Robertson. He is not actually in the high commissioner's office because there is no room in Canada House, but he is in London, and as part of the high commissioner's staff at Canada House there are normally two specialists, one on animal products and one on fruit products. Then the Wheat Board has its own agent also who acts as adviser on these matters to the high commissioner in London, in a separate office.

Q. Which department puts in provision for that man's salary? You have not got in the high commissioner's office, as a member of the Department of External Affairs, an agricultural attaché at the present time?—A. No, because that would not be the normal practice. For instance, the agricultural attaché at the United States Embassy here is paid by the Department of Agriculture; the commercial representatives are paid by the Department of State; the labour representative is paid by the United States Department of Labour. That is the normal practice, and it makes the handling of personnel much easier if it is done that way, if they come from the staffs of the department concerned with the subject at home, because they can be moved about more readily; and we can bring a man back if we want him to get more experience of conditions in Canada than we could do if he was simply a member of our foreign service.

Q. Does the information that he gathers about the foreign markets filter through External Affairs or does it go directly to Trade and Commerce?—A. It normally goes directly to Trade and Commerce; but he would, of course, bring to the high commissioner's attention and to our attention any matter which is really our concern, and we get a great deal of information back which was originally dug out and prepared by its representatives on behalf of the Department of Trade and Commerce.

Q. Who has the general oversight and disciplinary jurisdiction over a man like the agricultural representative in Great Britain—your department or the Department of Trade and Commerce?—A. The Department of Agriculture, although he, like other officials, is under the general supervision of the high commissioner in London. In the High Commissioners' Act there is a statutory regulation that the high commissioner exercises supervision over all Canadian officials stationed in the United Kingdom. That is only a statutory statement of what is generally recognized as the normal responsibility of the chief of a diplomatic mission; the chief represents not only the Department of External Affairs but the government of Canada. He is a member of our department, but he represents the government as a whole, and he is responsible for all the activities conducted by the Canadian government in the country to which he is accredited.

Q. Let us take the situation in Moscow. Suppose there is a trade commissioner there as well as an embassy, does the trade commissioner report to the embassy?—A. He reports directly to the Department of Trade and Commerce but also to the embassy. It depends entirely on what he is dealing with whether he will report to the embassy. If he makes reports he will furnish the embassy with copies of the reports which are of interest to them and which he has addressed directly to the Department of Trade and Commerce. That is not a difficult relationship, and it works out in practice, provided all the personalities fit reasonably well. That is not always the case in this as in any other condition of human activity.

Q. May I ask this further question: Take a country like Guatemala, with which we have some developing trade. I was telephoned over the week-end by an importer from that country whose business is going ahead in leaps and bounds at the moment. I do not suppose they have a representative here, nor have we there. We might have a trade commissioner or someone from the Department of Trade and Commerce stationed there, I believe, or perhaps our Mexican representative covers both—A. I am not sure. I think possibly Mexico or Panama would cover that. Mr. Soward tells me they are likely to station a man from Trade and Commerce there in the course of this year.

Q. If Guatemala wished to have a representative on a diplomatic level in Canada, do they simply exchange notes with our government and ask that an appointment be made from our respective countries? There are many countries in the world now—perhaps 50 or 100. We are a relatively small country, although a very productive one, and the matter of representation abroad is not without its expense. What is the dividing line? Is there any rule of thumb at all? Are we in the near future going to have representation in 50 or 100 countries?—A. Not in the near future, certainly. I think once you start your representation abroad you have to go a fairly long way. I should think we would have to go as far, let us say, as a country with old established diplomatic services of its own, such as Sweden—perhaps farther than Sweden. Sweden maintains, I think, something like 30 diplomatic missions abroad. We might run up to 35. We now have 22, I believe. It is not a thing we can do in a hurry. For one thing it will involve coming to parliament for very large votes if we are going to try to establish missions simultaneously in many countries. There is the problem of finding skilled personnel. I would not want to recommend opening missions if we could not staff them well. And there is the point of working out the

administrative details which differ in every post, and the control; and it is a very intricate problem. I have no doubt we shall be establishing more new posts in the next year or eighteen months. I think, as you suggested yourself, it is really common sense as to what ranks first in order of priority, and it depends upon a number of considerations, some mainly economic and some mainly political.

Q. I have heard the opinion expressed by some as to what do these ambassadors and ministers exercise their talents about in some of the South American countries and elsewhere. One can understand that during war there may be questions of international law with which they have to concern themselves, but it gets to be—I will not call it a racket—almost a game if you appoint a minister to one country and then another country will feel it is prejudiced and that its honour is not being sufficiently upheld, if you do not appoint a minister to every country. What does a minister in the Argentine, for instance, do to justify the large expenditure, apart from the fact that we are a first-class nation or a leader in the second group of nations and perhaps have to have representation abroad for the mere formality of it? I am wondering where in many cases the expenditure is justified?—A. Well that is a difficult question to answer.

Q. What do they do all the time with the staffs?—A. The embassy in the Argentine is a pretty busy office. It is small. We are, of course, very interested in receiving very accurate and prompt information as to what is going on in the Argentine because Argentine has been a somewhat troublesome member of the American community during the last few years and it still remains so. You asked me the particular question as to what the minister does. Well as an example the Argentine government about five or six days ago promulgated a decree which would probably have the effect of driving the Sun Life Assurance Company out of Argentina if it were enforced, through discriminatory taxation, and we have instructed the ambassador there, in collaboration with the diplomatic representatives of the other countries which have insurance companies operating in Argentina and are equally effected, to do his best to secure the suspension or abrogation of this decree. There is a practical case in which effective action can certainly be best taken by a diplomatic representative of a fairly high rank.

Mr. JACQUES: Is that likely to lead to trouble?

The WITNESS: I cannot tell you; but it is regarded seriously enough by the Sun Life Company and they telephoned me the other day and asked us to institute inquiries. The matter is still under investigation, and we have not yet had time to receive the full text of the law.

Mr FRASER: I think in the South American case or in the case of any other country the embassy has influence and can help the Canadian out; and Canadians do get into trouble no matter where they may travel.

The WITNESS: And there is a residual benefit which you cannot estimate, and that is important in Canada: what good-will does an effective diplomatic representation in the capital of a country bring? You cannot say in dollars and cents value. It is sometimes overestimated and sometimes underestimated.

Mr. FRASER: In some country a Canadian might get into difficulties about his visa, say between the Argentine and Chile, and could go to see the ambassador, and he will tell him the channels to take to get that visa. Otherwise he might be held up for two or three weeks.

The WITNESS: I would not like to weary the committee by giving them an impromptu list of the functions of diplomatic missions because it would inevitably mix the petty and unimportant up with the important; but the most of our diplomatic representatives are very active people on the whole.

By Mr. Jaques:

Q. Can Mr. Wrong tell the committee who actually formulate foreign policy?—A. The government of Canada. That is, I think, the only answer I can give.

Q. And who is the government of Canada in that respect?—A. I think that is a question which should not be addressed to me, Mr. Chairman.

Q. I do not know. I have sat in parliament for ten years, and I do not know the answer. We never discuss it in the House, and apparently we do not want to discuss it in this committee. Somebody must be responsible, if we have a foreign policy,—I do not even know that—for formulating it. I do not mean carrying the policy out; I mean actually formulating the foreign policy. I should like to know that.—A. That is the normal function of the minister responsible for the department, who is the Prime Minister, acting on advice, after consultation with his colleagues in the cabinet when he feels the matter is one which requires collective consideration; and otherwise acting in his capacity as Secretary of State for External Affairs. His position and authority are defined in the statute by which the Department of External Affairs was established.

Mr. JACKMAN: I remember some time ago there was a rule in connection with the American State Department that none of their representatives abroad could make statements without first sending a copy of their address to the State Department and having those remarks examined to see whether or not they were all right. I do not know whether that is in force. Have we any such rule?

The WITNESS: No we have not a hard and fast rule. We trust to the good sense of our representatives abroad not to say things that are embarrassing, and if they do we reserve the right to criticize, which we exercise without stint in the case of a lapse. It is an almost impossible rule to enforce. I doubt that the State Department rule is strictly enforced.

The CHAIRMAN: I believe that Mr. Jaques will find his answer in an alert public opinion here in Canada, and through the general discussion we have from time to time.

Mr. JAUQUES: We do not seem to have any. The External Affairs estimates come up right at the very end of the session when everybody is anxious to go home.

Mr. MARQUIS: You are not supposed to be anxious to go home; you are supposed to discuss.

Mr. LEGER: The Department of External Affairs, along with the government in power, would be the body.

The CHAIRMAN: Public opinion and parliament.

Mr. JAUQUES: Is there not a committee in the United States—I think it is the Foreign Relations Committee—which has a great deal to say in these matters?

The CHAIRMAN: Yes, of course the committee in the United States have more power than we have.

Mr. JAUQUES: Can we say that so far we have anything to say about the policy of the external affairs of Canada? Parliament has not.

Mr. COTE: I think the answer given a moment ago is clear. For instance, when the U.N.O. matter was discussed in the House last year we discussed Dumbarton Oaks. Whenever we have to make a decision in parliament or in the country with regard to our relations with any foreign country, whether money is involved or not, the matter is taken into consideration in the House of Commons, and all parties and all members of all parties are free to discuss such matters, and the majority rules, of course. If the government comes out with a proposal which can be defeated, if it is defeated the government policy

will be defeated; but such policies are usually well cleared up by lengthy discussion. Quite a lengthy discussion took place on Dumbarton Oaks last year, and every member in the House had an opportunity to discuss the question, and when a conclusion was reached there was a clear-cut demonstration of foreign policy.

Mr. PICARD: I do not think in any country in the world that foreign policy can be outlined in a book from A to Z. Foreign policy varies from time to time, and it is up to the government of the day, when these events occur, to formulate an opinion and to decide on the policy of the government concerning that matter. I do not think any nation can come forward and say that this is our foreign policy. It is impossible. No government could try to do it.

The CHAIRMAN: Following up what Mr. Jaques has in mind, I would like this committee to be a living body which would help to formulate although not to absolutely crystallize those policies.

Mr. PICARD: Under our parliamentary system parliamentary committees have not this power, while in the United States they have.

Mr. JAUQUES: As far as the knowledge of this House and of the general public is concerned, all we know is what we read in the newspapers or what we hear on the radio, and I have lost all faith in that sort of thing. The only way in which I can arrive at an intelligent decision is to hear witnesses for both sides of a case. We have to undertake the responsibility of making up our minds on these issues as they arise. Somebody sent me a cutting from an American paper containing a scathing attack on British policy in Palestine. Are we in any position to rebut such statements? I do not think so. We have no discussion of these questions here in the House. All these things are important. We have no power in the matter, and we have nothing to do with guiding the policy one way or another.

Mr. SINCLAIR: We were appointed by the House for a specific purpose, and our first duty is to discuss estimates, which we have not started yet.

The CHAIRMAN: I should explain that at a meeting of the steering committee it was decided to go ahead with the estimates and in the meantime to study all questions brought before the committee too.

Mr. JAUQUES: Had I known that I would not have gone into this.

The CHAIRMAN: The discussion has not been a futile one. I shall have to see you personally.

The WITNESS: Do you wish me to turn to the second question now?

The CHAIRMAN: Yes.

The WITNESS: As I recall it, the other question was to indicate to the committee the relationship between the information division of the Department of External Affairs and the Canadian Information Service. The information division of the department is a fairly new creation, and possibly its name is a little misleading. We debated for some time before the name was agreed on. The name used for corresponding activities in the Department of State at Washington is the Cultural Relations Division, which strikes me as being rather high-sounding and not a particularly significant title. So we adopted, perhaps, the most nondescript title to indicate the portion of the department which was concerned with a collection of duties connected with providing data and answering inquiries and so on. It is not used as a channel for giving information out to the Canadian public and the Canadian press. We get a large volume of correspondence, sometimes originating from our own representatives abroad, sometimes from representatives of foreign countries in Canada; and sometimes from other sources at home or abroad, asking for data on various aspects of Canadian life. We also receive a considerable number of inquiries, quite properly, from individuals and organizations in Canada desiring background

information on aspects of international affairs; and perhaps the central duty of the information division is to meet these requests, and to ensure also that our representatives abroad are kept constantly informed of what is going on in Canada by sending them the type of information that they require for the intelligent discharge of their duties. The discharge of the duty of a representative abroad includes the ability to inform people in the country in which he is stationed on what is happening in his own country.

Now, that is the general background, but a good deal of what I have said are in the same building?—A. Entirely separate. Canadian Information Service the particular responsibility of which is the distribution of Canadian information abroad, and we work in pretty close contact with the Canadian Information Service. The department is represented by the Under Secretary or his alternate on the Supervisory Committee of the information service, and is also represented on a body which meets twice weekly and is called the working committee of the Canadian Information Service, and there are steady day to day contacts. As a matter of fact, at the moment it happens that the information division of the Department of External Affairs and the Canadian Information Service are housed in the same building, and they have contacts on a large number of matters that arise. In a few countries the Canadian Information Service maintains specialist officers who are either formally members of the staff of the head of the Canadian mission there, which is the case in London, Paris and in Australia, or they are working very closely with the head of the Canadian mission, which is the case in Washington and also in New York. In the rest of the world, however, such information of the type that is made available through local contacts must go to the Canadian mission or to the Canadian trade commissioners. What goes out that way is a matter of general interest to the Department of External Affairs, and we try to keep as close liaison with the C.I.S. as we can.

I think that is a general statement, Mr. Chairman; it is about all I can give at this moment, but Mr. Soward and I will answer questions.

By Mr. Fraser:

Q. Canadian Information and you keep your accounts separate but you are in the same building?—A. Entirely separate. Canadian Information Service is immediately directed in its operational side by an interdepartmental committee under the chairmanship of the clerk of the Privy Council, with External Affairs, Trade and Commerce, the C.B.C. and the Film Board also represented on it, and it reports to the government and to parliament through Mr. Claxton.

Q. Would your information service help a manufacturer to line up his trip?—A. No, that would not be our responsibility in as far as that would involve certain business contacts. The trade commissioners would arrange that. That is their direct responsibility. In as far as it involves travel arrangements it would not come to the information division; it would go where official assistance is necessary. It would go to other branches of my department or the Department of Trade and Commerce, who are also in the game of arranging transportation.

By Mr. MacInnis:

Q. Would you say something with regard to the economic division?—A. If that is all you want to know about the information division, certainly.

Q. I was wondering what are the functions of the economic division under the Department of External Affairs?—A. Well it is, I think, one of the most active and at the present time most understaffed branches of the department. It has a great deal to do with commercial negotiations of all sorts. Commercial negotiations are almost inevitably an interdepartmental matter; they involve the Department of Trade and Commerce, they almost always involve the Department of Finance, and they involve the Department of External Affairs. We

have the general responsibility for the conduct of official matters with the foreign governments and the technique of commercial agreements and commercial negotiations is a matter which must be shared among the departments I have named.

Q. Would these matters be economic questions that have a political significance?—A. Not necessarily. It is difficult to distinguish between economic questions that have a political significance and those that have not—but not necessarily. There are a good many economic inquiries which deal with special questions. For instance, the economic division deals with most, but not all, of the matters relating to relief at the present time, to the provision of Canadian supplies in as far as it is responsible, for requests for exports credits, and all that side of international economic policy. Rarely does the Department of External Affairs act alone on these matters.

Q. The inquiries would go to you first and then to the Department of Finance?—A. A foreign representative for instance, called within the last few days with regard to an export credit. Now, he would put his request to us. First we would consult the other departments on the general request, and we might be the sole actual channel, depending upon circumstances, between the foreign representative and the Canadian government. That happens today, but we are in constant discussion and negotiation with the other departments. Most of the work of the economic division deals with economic matters also before other departments. Shipping is another matter; civil aviation is another—the technical branches or activities which are not related to any geographical area but all of which have an economic bearing.

By Mr. Marquis:

Q. I suppose some matters come from the channels of Trade and Commerce to your department?—A. Certainly.

Q. It works both ways?—A. Yes. If a foreign representative wants to raise a matter with the Canadian government, his strictly correct course is to go to the foreign office, which is the Department of External Affairs, first. We may ask him to take the matter up direct.

By Mr. Cote:

Q. Is not the economic division a sort of liaison between the general policy of External Affairs and the various departments dealing with foreign countries?—A. I would not say it is a complete description, but it is accurate in a large measure. They have a great deal of liaison to do. Another branch of their activity I have not mentioned is in connection with claims, partly legal: the release of property that has been held by the Canadian custodian, as being enemy property or suspected of being enemy property, during the war. We have to act in many cases in close relationship with our own legal advisers and with the legal advisers of other departments.

Q. It has a sort check over various departments in regard to the general policy of External Affairs?—A. I do not like the word "check"; it has a participation with other departments and it is almost essential to try to see that negotiations of any importance, apart from purely routine matters, that are being conducted with other countries, are centred inside your own government. Otherwise, you get yourself in a position that your left hand would not know what your right hand was doing.

By Mr. Jackman:

Q. Under the Bretton Woods agreement Canada has a representative on the bank and on the fund?—A. Yes.

Q. Are those representatives appointed by the Department of Finance or the Department of External Affairs?—A. I think they are appointed by the Governor in Council actually.

Q. What we are trying to get is a clear view as to who is responsible for their actions. To whom do they report?—A. In those matters they would report to the Department of Finance, but the Department of Finance keeps us informed of what is going on and consults us when necessary. We have a close and satisfactory arrangement with the Department of Finance on these matters.

Q. Does a copy of their report go to you simultaneously?—A. You had better put it in the plural; there is a constant stream of reports coming. No, not necessarily.

Q. When a report goes to External Affairs at Ottawa who gets it? How does the information get to the top policy men in the department?—A. It depends on the nature and urgency of the subject how an incoming document is treated in the department. Routine communications go to the division concerned with the matter in the department and they can dispose of them. Matters affecting policy go straight to the top and may then go down, and they may be brought up by the Under Secretary to the Prime Minister. You cannot lay down a general rule for dealing with business of that sort. We have varying correspondence covering a large range of subjects.

Q. It comes down to the old source of the mail and to whom it is directed; whether it is marked private and confidential or just confidential.—A. No, it is not nearly as automatic as that. I wish sometimes it could be made automatic, but it is impossible to do it. A large element of human discretion and intelligence must be allowed for.

Q. As long as the stream of communication is small and the department is small it can act in one way, but after a while as volume grows you have to have a system?—A. You have to have a system, and it is not something you can reduce to a simple formula because there must be a residual element of judgment as to what treatment this deserves if it is obviously an important question. Usually it will go to the chief of the division concerned and he will take it up with the Under Secretary or myself who, if the matter requires it, will see that it is brought to the attention of the Prime Minister. On the other hand, sometimes it might be obviously a matter which need not be brought to the Prime Minister's attention or require the personal attention of the Under Secretary or myself. We work by a system of internal liaison in these matters. I do not know any large organization except possibly a mail order house which can reduce to an absolute formula how to treat incoming communications.

The CHAIRMAN: On behalf of the committee, Mr. Wrong, I thank you. We shall have to seek advice from you from time to time. We will meet again on Friday at 11.30 a.m.

The committee adjourned to meet on Friday, June 7, 1946, at 11.30 o'clock a.m.



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Canada External Affairs, June 1946

(SESSION 1946)
(HOUSE OF COMMONS)

Handwritten notes: JH, 1515, A26, 1946, no. 5

Department of
Publications

Handwritten notes: A1 XC 11, E 91

(STANDING COMMITTEE)

(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, JUNE 7, 1946

WITNESS:

Mr. F. P. Varcoe, Deputy Minister, Department of Justice

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

FRIDAY, June 7, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Members present: Messrs. Bradette, Coldwell, Diefenbaker, Fleming, Hackett, Knowles, Leger, Low, MacInnis, MacLean and Sinclair (Ontario.) —(11).

In attendance: Mr. L. C. Audette, legal division, External Affairs Department.

The Chairman tabled a report of the Agenda Committee dated May 31, which was read by the Clerk as follows:—

Pursuant to convocation, a meeting of the Agenda Committee was held in the office of the Chairman at which assisted Messrs. Leger, Low, MacInnis and Winkler.

After discussing future procedure and business, it was agreed:—

1. To have Mr. Varcoe, Deputy Minister of Justice, appear before the Committee at an appropriate meeting on the question of the trial of war criminals and the order in council and the War Measures Act in relation thereto. This question was raised by Mr. Diefenbaker.

2. To contact Mr. John E. Read, K.C., presently in Canada, and a member of the International Court of Justice with a view to ascertaining whether he would be in a position to acquaint informally the members of the Committee with the functions and operations of the International Court of Justice.

3. To invite members of the House of Commons and the Senate to two luncheons under the auspices of the Committee on External Affairs to hear Messrs. Graydon, Picard, Knowles, Winkler and Senator Hugessen who were delegates to the Preparatory Commission of the United Nations in London in the order decided upon by the delegates themselves.

With reference to Mr. Jaques' suggestion of hearing witnesses on the petition of Canadian Airmen relating to the trial of General Mihailovich, of Yugoslavia, the Agenda Committee feels that this matter should be held in abeyance for the time being, leaving it to the individual members of the Committee to assess in their own minds the circumstances and the suggestions of Mr. Jaques. After discussion, it was agreed to delete the last paragraph and on motion of MacInnis, the report as amended was adopted.

The Committee resumed its consideration of *Item 41*.

Mr. F. P. Varcoe, deputy minister of Justice, was called and examined. He made a statement on order in council P.C. 5831 relating to War Crimes Regulations (Canada).

At 12.25, the Committee adjourned at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 7, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: We have a quorum in good time. I will now ask the clerk to read the report of the Steering Committee.

The Clerk:

FRIDAY, May 31, 1946.

Pursuant to convocation, a meeting of the agenda committee was held in the office of the chairman at which assisted Messrs. Leger, Low, MacInnis and Winkler.

After discussing future procedure and business, it was agreed:—

1. To have Mr. Varcoe, Deputy Minister of Justice, appear before the committee at an appropriate meeting on the question of the trial of war criminals and the order in council and the War Measures Act in relation thereto. This question was raised by Mr. Diefenbaker.
2. To contact Mr. John E. Read, K.C., presently in Canada, and a member of the International Court of Justice with a view to ascertaining whether he would be in a position to acquaint informally the members of the committee with the functions and operations of the International Court of Justice.
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With reference to Mr. Jaques suggestion of hearing witnesses on the petition of Canadian airmen relating to the trial of General Mihailovich of Yugoslavia, the agenda committee feels that this matter should be held in abeyance for the time being, leaving it to the individual members of the committee to assess in their own minds the circumstances and the suggestions of Mr. Jaques.

The CHAIRMAN: Gentlemen, we have with us this morning Mr. Varcoe, Deputy Minister of the Department of Justice. I will ask Mr. Varcoe to proceed.

Mr. FLEMING: Are you going to deal with that report? I take it that the report contains recommendations to this committee from the steering committee.

The CHAIRMAN: It is open to discussion.

Mr. Low: I was going to suggest, Mr. Chairman, that members of the committee express themselves on it. I will make a formal motion for the adoption of the report.

The CHAIRMAN: Discussion is in order.

Mr. FLEMING: May I ask a question? You spoke about a luncheon for the members at which to hear the four delegates. Is that not too much for one luncheon?

The CHAIRMAN: It was my intention to have two, to invite members of the House of Commons to two luncheons. It was my own idea, as we were so fortunate in having four of our members who went to Europe last year, and I thought we should have the benefit of their experience.

Mr. FLEMING: It would hardly be fair to have them all at one meeting.

Mr. COLDWELL: Have you considered having a general meeting? Wasn't there a Senate committee which heard the report last year on the San Francisco conference?

The CHAIRMAN: It was the intention to send invitations to parliamentarians and their friends.

Mr. KNOWLES: When you are doing that I would suggest that some reference be made to Senator Hugessen.

The CHAIRMAN: Was he over there too?

Mr. KNOWLES: Yes.

The CHAIRMAN: Then he will have to be put on the agenda of speakers.

Mr. KNOWLES: Yes.

The CHAIRMAN: That was the intention of the steering committee any way, that will make five gentlemen from whom we will hope to hear; and as I said we will leave it to the speakers themselves to arrange the order in which they appear. I do not want to assume that responsibility myself because I might have got myself into some trouble.

Mr. JAKES: Mr. Chairman, with regard to my remarks on General Mihailovich, his trial is coming up and if we do not do something pretty quickly it will be too late. If we don't want to get mixed up in this thing, let us say so. After all, we are here to discuss things. If you really do want to do something, one thing is certain, it has to be done quickly if we are going to do it. Otherwise he will be tried and it will be through.

Mr. LEGER: I understand that the Department of External Affairs has already made certain representations in the matter.

Mr. FLEMING: It was not my intention to precipitate any extended discussion in my reference to the recommendation about General Mihailovich; certainly I do not want to go back over again ground that has already been covered. I think it is a fair reflection of the view of the committee, that having considered the part this committee has to play with reference to such a matter as the trial of General Mihailovich before a court of his own country in his own country, the committee came to the conclusion that it had no right to intervene, and that it had satisfied itself that the Department of External Affairs had already made representations to the diplomatic representative in Canada of the present recognized government of Yugoslavia asking that the evidence of certain Canadian airmen who wished to testify at the trial be received at the trial. Now, I think that is the view of the committee and that is as far as we can go; and I think there should be no suggestion left in any recommendation that we may adopt to-day that we are sort of leaving the door open. I think Mr. Jakes is quite right in saying that we should take action one way or the other.

Mr. JAKES: That is all I want.

Mr. FLEMING: My idea of the intention of the committee is quite different from that of Mr. Jakes in that respect; but I do agree with him that in any action we take we should not leave the door open, we should decide just what our functions are to be.

Mr. COLDWELL: I agree with you. I think the Department of External Affairs should press the view that these young men should be heard; we cannot hold the trial here of this particular man; and I agree with Mr. Fleming that we should express ourselves one way or the other and not leave the matter open.

Mr. DIEFENBAKER: I am in agreement generally with what Mr. Coldwell says on that. We should not seem to be interfering in the affairs of another country, that would be presumption. But I do think we have the right to ask the Department of External Affairs to let us see the recommendations that were made. I think this committee will simply amount to nothing unless we make it a good strong committee, and if we are going to be a strong committee, one that is going to perform a worth while service, then I think we have the right to ask that officials of the Department of External Affairs let us see the nature of the representations that they have made or may make.

Mr. LEGER: When those representations were made did they mention the names of the Canadian soldiers—

The CHAIRMAN: Air men.

Mr. LEGER: Yes. We might let it be known that they are ready to give testimony. I do not think we can go much further than that.

Mr. JQUES: I do not think I made myself clear on that point. If we are going to be responsible members I feel that we have got to have independent, first hand knowledge of what is going on and not rely on newspapers and radio commentators; which at the present time is, first, all that we have. I mentioned the Mihailovich case because the case is critical, but there are others. What about Spain? Some people say that we have no business there at all; somebody said it is different there from what it is in Yugoslavia, that we would have no business interfering with the affairs of another country. That applies not only in our own dealings with Yugoslavia, but to Spain or any other country. Those are the questions that are concerning me. My idea is not to turn this into a court at all, rather merely to see that the committee has a means of getting information which otherwise we cannot get, that is all.

The CHAIRMAN: Mr. Jaques mentioned a specific case. My view of the situation is that I would prefer for us to deal with our estimates first, and to generalize later on. It would be my idea that we first go through our estimates and then deal with matters of international interest. How we are to do it, I do not know. Will it be acceptable to the committee if Mr. Jaques asks these young flyers to come here and appear before the committee? That would be about the only thing we could do, we have no power to order them to come here.

Mr. MACINNIS: Mr. Chairman, Mr. Jaques refers to getting first hand information in connection with this matter, and that we cannot rely on what we hear or see in the press. I am just wondering how this committee is going to get first hand information on a trial that is taking place in Yugoslavia, and what are we going to do with it? Then, again, I think that any decision this committee would take in a matter of this kind would affect the relations between Canada and Yugoslavia, they would have to go back to the House of Commons for approval. I do not think that we as a committee are competent to make a decision on an important matter of international relations that might be contrary to the decision of the government in the matter, and might perhaps result in involving the government in a matter of this kind. But the real point is, I do not see how we can get first hand information on this matter when the trial is taking place in another country.

Mr. LEGER: Suppose we brought those air men here, we would only have one side of the evidence.

Mr. JAKES: I do not see that at all, I think we would have both sides, because there is plenty of evidence on this side. There is a feeling here that we do not want to go out of the country on this. What is the matter with us? I have never suggested that we should sit and take evidence here; but I say this, if we are to be of any real value in the House itself when dealing with external affairs or any other question that comes up, how can we exercise our proper functions if we do not have the knowledge on which to base our discussions? It is information I want.

The CHAIRMAN: About all these young men could do would be to appear before us. It would be impossible even for us to question them. All they could do would be to make a statement and tell us their experience in Yugoslavia. What good that would be to their case or to the case of a man being tried in Yugoslavia, we do not know. I leave that thought in the minds of the members here until our next meeting, then if you think it is the proper thing or the necessary thing to do, we can have these young men appear before the committee and there would be no harm done.

Mr. FLEMING: Mr. Chairman, after all, this committee has an important function to perform and we have got a good deal of work to do on the estimates, but we are not going to run away from any proper task that this committee should undertake. Now, coming back to the meeting of May 30, if we hear these young men, or hear others, what is it going to lead to? The very most it could lead to would be a request to the Yugoslavian government which is conducting the trial, that it receive the evidence of these witnesses. That is all it could result in. We are told by Mr. Wrong on behalf of the Department of External Affairs that just such representations have already been made to the Yugoslavian chargé d'affaires in Canada to be transmitted to his government. Beyond that I suggest we cannot go.

As Mr. Diefenbaker says, we are entitled to know in what form the representations were made to the Yugoslavian chargé d'affaires; but this country cannot go beyond saying: here are our witnesses, Canadian witnesses, who have important evidence which we would ask you to hear in this important trial.

Mr. Low: The very fact that the evidence is taken before this committee on both sides of any question, such as the Yugoslavian case, would be a deterrent, in my judgment, to any hasty and ill-advised action in Yugoslavia. Here is a standing committee of External Affairs of the parliament of Canada investigating a matter in order to get information on both sides of the question. If that fact does not act as a deterrent, and if the Yugoslavian chargé d'affaires does not report it back to Tito's government, then I would be very much surprised; and if Tito did not pay some attention to the fact that it is being considered by the External Affairs committee, I would be very much surprised indeed.

Mr. JAKES: And consider too what effect it would have on these young men themselves who wish to see justice done, to have the matter entirely ignored by this committee. I think that is important.

The CHAIRMAN: The steering committee was in favour of leaving that to me for further thought to be brought up again at a subsequent meeting. I know that time is a big factor under present circumstances, but if you would leave it to me for further study, I might reconvene the steering committee about it. I think that would be more agreeable.

Mr. MACINNES: The point was raised, I think, by Mr. Fleming, and I am not taking exception to it. He may be quite correct, that the report of the steering committee on this matter was not in accord with the sense of the last meeting of the committee; so I would suggest that the reference to the matter in the steering committee's report be deleted, to be brought up at a later time.

Mr. FLEMING: And the balance of the report to be adopted.

The CHAIRMAN: The balance of the report to be adopted, including Senator Hugessen, and the luncheons.

Mr. MacINNIS: I so move.

Mr. FLEMING: And I second the motion.

The CHAIRMAN: It has been moved by Mr. MacInnis and seconded by Mr. Fleming. The report as amended is carried. Now, I believe it would be in order to call upon Mr. Varcoe.

Mr. F. P. VARCOE, K.C., Deputy Minister of Justice, Called:

The WITNESS: Mr. Chairman, the war crimes regulations which were promulgated on the 10th September, 1945, purport to have been made pursuant to the authority of the War Measures Act, and I presume that the question which the committee wishes to discuss is whether those regulations, or certain of those regulations, are valid in view of the fact that the War Measures Act, by section 4, provides that the maximum penalty is five years imprisonment. Is that the question that the committee wishes to discuss?

By Mr. Sinclair:

Q. Yes, that generally covers the situation.—A. Now, some time after these regulations were promulgated, I was asked by the Department of National Defence to advise upon this question, and I thought possibly it would serve the purposes of the committee best if I indicated what material I took into consideration and what opinion I gave to the department and finally, to indicate briefly the reasons for coming to that opinion. If that is agreeable to the committee, I would proceed along that line.

By the Chairman:

Q. Yes, Mr. Varcoe, will you please proceed.—A. Now, the material which I took into consideration was the following: section 15 of the British North American Act which provides that,

The Command-in-Chief of the Land and Naval Militia, and of all Naval and Military Forces, of and in Canada, is hereby declared to continue and be vested in the Queen.

Then, I took into account certain provisions of the Militia Act, section 4 of chapter 132, of the revised statutes:—

The Command-in-Chief of the Militia is declared to continue and be vested in the King and shall be exercised and administered by His Majesty or by the Governor General as his representative.

and also section 139,

The Governor in Council may make regulations for carrying this Act into effect, for the organization, discipline, efficiency and good government generally of the Militia, and for anything requiring to be done in connection with the military defence of Canada.

It was the latter part of that section that I took into account particularly. Then, of course, there are the provisions of the War Measures Act which I won't do more than mention; sections 3 and 4 particularly. And when I looked at the United Kingdom regulations which correspond to our regulations and

which were made by royal warrant, on the advice of the Secretary of State for War. There was no order in council in that case; and they contain practically speaking the same provisions as are contained in our regulations.

Then, I read the report of the decision of the Supreme Court of the United States in the case of *Ex Parte Quirin et al*, which was the case of the German spies, who were tried in 1942.

By Mr. Hackett:

Q. What is the citation of that case?—A. 317 United States Report, page 1, and the reference I wish to make is at page 28. Now, these spies, who were landed on the coast of the United States, were tried and punished under a proclamation of the President of the United States, acting as commander-in-chief. Chief Justice Stone, in giving his judgment, which was upon the question of the validity of these regulations and the proclamation said:—

An important incident to the conduct of war is the adoption of measures by the military command.....to seize and subject to disciplinary measures those enemies who.....have violated the law of war.

Then, I looked at authorities on international law respecting violations of the laws and usages of war, and also the prerogative power of the sovereign in relation to waging war, and finally I advised as follows:—

By well established Canadian constitutional practice the Governor General acting on advice of His Majesty's Privy Council for Canada has power under the British North America Act, War Measures Act, Militia Act and otherwise to establish procedure for trial and punishment by military courts of violations of the laws and usages of war not less extensive than those exercised by His Majesty under Royal Warrant.

Now, I will endeavour to set out briefly what my reasons were, for the information of the committee.

1. What His Majesty could do by Royal Warrant (whether as Commander-in-Chief or in the exercise of his prerogative) on advice of a single minister with reference to the British army the Governor General as representative of His Majesty could do on the advice of his Privy Council with reference to the Canadian army.

2. The violations of the laws and usages of war are by international law crimes to which penalties attach. The regulations are therefore procedural only. The penalties mentioned in section 11 are not prescribed by the Governor in Council for breaches of orders and regulations made under the War Measures Act. The regulations merely say what procedure is to be followed and who may impose the penalties which already exist by international law.

3. The War Measures Act does not take away from the Crown existing powers.

Section 4 relates only to punishment by courts, and not to operations against the enemy as part of the conduct of war.

My fourth point was that the Militia Act, is the authority for the Governor in Council to make regulations for anything requiring to be done in connection with the military defence of Canada.

By Mr. Hackett:

Q. Before you go on, do you rely upon that section of the Militia Act for the statement that the Governor in Council may do anything that His Majesty may do under royal warrant? What is the justification for the conclusion that the Governor in Council may do what His Majesty may do under royal warrant?—

A. In England, in connection with the military forces, the constitutional practice apparently is to proceed by what is called royal warrant on the advice of a single minister. We have not adopted that practice in this country, so far as I have been able to find out. But the power of the sovereign in Canada would not be less than the power of the sovereign in the United Kingdom in respect of the same matter or in respect of a similar matter. Consequently, the sovereign in Canada, if he desired to proceed on the advice of the full cabinet rather than on the advice of a single minister—would not, have less power for that reason.—It appears to be the fact, that we have followed the practice of proceeding by order in council rather than by royal warrant in such matters as this, in Canada, in the past.

Q. We have never proceeded by royal warrant?—A. Not so far as I know.

By Mr. Diefenbaker:

Q. In these war crimes regulations, there is no question raised regarding the Militia Act or anything like that. Therefore, His Excellency the Governor General in Council on the recommendation of the Secretary of State for External Affairs, concurred in by the Minister of Justice and the Minister of National Defence, the first recommendation under the authority of the War Measures Act, could make the war crimes regulations and so on governing the custody, trial and punishment of persons charged with violation of the law and usages of war; so why mention the War Measures Act at all, if this has been passed under the surplus or over-riding royal prerogative?—A. It would have been better if those words were omitted. There is no doubt about it.

Q. That is true, because, as it is worded it is construed under the War Measures Act?—A. I do not know why the words were inserted, or upon whose advice it was done.

By Mr. Coldwell:

Q. Do you think that it weakens the position of the government?—A. I do not see why, putting those words in, it would detract from the power of the Governor General as commander-in-chief, or in exercising the prerogative power of the Crown. In any case, my principal point is: that these regulations are merely procedural, with the crime and the penalty already existing; and that all we are doing here is to say who will apply that penalty and procedure to be followed. Probably the person who drafted this had in mind, that it was desirable to utilize the War Measures Act for that purpose.

By Mr. Diefenbaker:

Q. Who did draft it? Do you know?—A. No, sir.

Q. You did not draft it, you or your department?—A. No.

By Mr. Fleming:

Q. Mr. Chairman, could Mr. Varcoe clarify the relationship between the procedural rights and the prescribing of a series of penalties? I gathered from his last remarks that he does not say that the imposition of severe penalties is a matter of procedure in itself?—A. The penalties exist by international law.

Q. And where do we get them?—A. You will find set out in the international law books that breaches of the laws and usages of war may be punished by death, imprisonment, and so on; and it was apparently under

that power that the commander-in-chief, the President of the United States, acted when he issued the proclamation which set out the procedure for the punishment of those spies who invaded the United States.

By Mr. Hackett:

Q. Can you go so far as to say that the position of Canada would be no different had the order in council to which Mr. Diefenbaker has just made reference not been passed at all.—A. The position would have been no different, except that no person would have been authorized to impose the penalties.

By Mr. Fleming:

Q. Would they have that power under the royal prerogative?—A. You are speaking of the military personnel who would carry it out?

Q. The law as it exists?—A. Yes.

By Mr. Fleming:

Q. Or exercise the power of imposing a penalty?—A. Yes.

By Mr. MacInnis:

Q. Your opinion is that the action taken in respect to—what do you call it—I would leave out the particular name—to anything done under this war—the penalties imposed by the War Crimes Commission, they would not be limited by anything in the War Measures Act?—A. No, sir, that is the opinion which I gave to the department.

By Mr. Fleming:

Q. But we still have to get to the point where we find authority given by the Governor in Council to some particular individual to impose a penalty in respect to an offence against international law and the usages of war?—A. That is a correct statement.

By Mr. Diefenbaker:

Q. In view of the fact that you have quite frankly admitted that it would have been better if the War Measures Act reference had not been enacted?—A. If it had said "under the authority of the War Measures Act, or otherwise" it would have been better.

Q. Yes, that would have been better; but do you not think there should be an order in council passed, or a statute in order to cover that?—A. I intended to conclude my statement by saying that:

In view of the fact that the National Emergency Transitional Powers Act will cease to operate on or about the end of this year, and with it the War Crimes Regulations, we have under consideration whether a bill is to be introduced to enact the regulations as a statute. A draft bill is now under consideration by the departments concerned.

The Transitional Powers Act which expires at the end of this year is, of course, the authority which keeps this order in council alive, and we propose to submit to parliament an Act on this to validate or continue these regulations.

Q. To provide for the trial of war criminals and to validate everything that has been done?—A. Yes, sir. That bill has been drafted and circulated among the departments concerned, but whether the government will adopt the measure or not has not yet been decided.

By Mr. Hackett:

Q. I understood you to say that the substantive rights to punish violations—
A. Laws and usages of war is the usual expression.

Q. Yes, violations of the laws and usages of war exists under what we are pleased to call international law; and that some kind of enactment was necessary to indicate the agency by which the existing right was to be enforced. Is that correct?—A. Yes, sir.

Q. Do you consider that the agency which selected, or that the power which selected the agency had the right to restrict in any way the penalties that might be imposed? What I mean is: could the Governor General, in setting up the tribunal, limit to five years the penalties that might be imposed? It seems to me that there are two separate questions there, and that it does rest with the Governor General to say to his agent: you shall go so far and no farther, although the right existed to go much farther?—A. One theory behind this procedure is that the trial and punishment of a person who has been guilty or charged with a breach of the laws and usages of war is itself an act of war; that is to say, it is the application of force in certain circumstances to an enemy.

By Mr. Diefenbaker:

Q. Based on the custom and usages of war, and it is today being applied at Nuremberg?—A. Yes, sir; and that any commander has certain powers to apply that act of war or to exercise that act of war in the field or where he finds the offence being committed. I must say that I have not been able to settle my mind entirely on this: but if this Royal Warrant is an act of the commander-in-chief, that is, if he is simply giving orders to the military forces as to how the punishment of offenders is to be done, well then, the Governor General has no less power; and the fact that he has proceeded as commander-in-chief upon the advice of the full cabinet rather than upon the advice of his minister for war or defence would not detract from that power.

By Mr. Hackett:

Q. No, but if appointment were necessary, it would seem to follow that limitations in the extent to which the powers were to be exercised would follow as a necessary consequence?—A. Yes, sir.

Q. Well, in that event, if the limitation were five years, does it not necessarily follow that any condemnation in excess of that would be beyond the power of the tribunal?—A. I am adopting the view that no such limitation has been applied. The War Measures Act, in the first place, relates only to punishment by civil courts of offences against the regulations of the Governor in Council. These offences are offences against the laws and usages of war, not against this country in any way.

Mr. HACKETT: That is the whole thing.

By Mr. Diefenbaker:

Q. It is a very arguable theory, isn't it; on the basis of the wording of this order in council setting out the war crimes regulations?—A. Well, I have no doubt but that a very forceful argument could be made.

Q. You say, a forceful argument could be made?—A. If I am right, sir, that the offence is one against international law and not one against the regulations of the Governor in Council, all that has been done here is to adopt procedure under the War Measures Act for the punishment of the offences.

Q. You point out that wording. The present draft itself used a different wording altogether and removed the idea that you are now placing before the committee. Here is what I read once: His Excellency in Council on the same recommendation, with the concurrence aforesaid—that is the recommendation of

the Secretary of State for External Affairs and the Minister of Justice concurred in by the Minister of Justice and the Minister of National Defence; and, under the authority of the War Measures Act, is pleased to order that any proceeding, and so on . . . and no finding shall be subject to appeal or review . . . and no action shall lie against any person for any action taken with the intention of carrying out these provisions—in any event, Mr. Varcoe, the principle involved is now going to be covered by a statute?—A. Yes, at least so far as I am concerned it is.

Q. Yes.—A. The government may not—

Mr. HACKETT: Accept your recommendation?

The WITNESS: Yes.

Mr. DIEFENBAKER: And you are making it retroactive.

The WITNESS: Yes.

Mr. FLEMING: The proposed statute intends to go the length of saying that the proceedings before the War Crimes Commission were valid and the findings of the court confirmed and the sentences confirmed, all by statute; is that right?

The WITNESS: That is covered by a clause contained in the bill: "this Act shall be deemed to have come into force on the 30th day of August, 1945. (2) The War Crimes Regulations made by the Governor in Council the 30th day of August, 1945, are hereby revoked and everything purporting to have been done pursuant to those regulations shall be deemed to have been done pursuant to this Act."

The CHAIRMAN: You had not completed your brief, had you?

The WITNESS: Yes, sir, I just had that last paragraph. I mentioned just now that the Transitional Powers Act is coming to an end at the end of this year, unless it is extended; and, consequently, it seems to be desirable that an Act on this subject of war crimes be enacted by parliament, or should be submitted to parliament for its consideration at any rate; and that is the proposal which I have made to the several government departments concerned, external affairs and national defence.

Mr. JAUQUES: Would not the question of guilt and responsibility depend entirely on the country of which the individual was a citizen?

Mr. MACINNIS: This is not the country, it is individuals.

The WITNESS: It is individuals, sir.

Mr. JAUQUES: And the action taken would be dependent upon the country in which the individual happened to belong, the country of which he was a citizen, would it not?

The WITNESS: No. The German spies who landed in the United States committed offences against international law, and they were tried and executed under a proclamation of the Commander-in-Chief as an act of war.

Mr. DIEFENBAKER: In spite of the fact that they are the usages of war, crimes against international law have never been incorporated in the written word; just the same as the law in our own country which is built up on the basis of custom over the years, in the same way international law is built up.

The WITNESS: Yes, sir, that is the way I read the judgments.

Mr. MACINNIS: I was going to ask Mr. Varcoe a question. I have been trying to learn the easy way here by listening; there are so many eminent lawyers across the table from me. That trial in the case we have in mind, and the penalty, was under international law, beyond the War Measures Act altogether?

The WITNESS: Yes, sir.

The CHAIRMAN: From the question asked by Mr. Diefenbaker I gathered that you thought the order would be limited in its scope to deal with some of the big cases that are being dealt with in Europe now.

Mr. DIEFENBAKER: That is a different matter altogether.

The CHAIRMAN: I am trying to learn.

Mr. DIEFENBAKER: That does not apply at all. As a matter of fact, all of these trials that are taking place over there, other than a few that are taking place today in Europe—also in Japan. The great danger in the situation is by now, as far as I see it, and that was that somebody might apply for habeas corpus to test out this order in council and open the door. Mr. Varcoe gives assurance that that is not going to take place because a statute is going to be passed. It was to get that assurance that I asked the question I did.

The CHAIRMAN: Have you any more questions to address to Mr. Varcoe? Thank you very much, Mr. Varcoe, for the information you have given to us.

That is all we have on the agenda today. I would ask the committee if it would be in order at our next meeting to call officials of the passport office. That is the second item we have to consider in the estimates, item No. 42. If that is satisfactory we will arrange for these officials to attend before us at our next meeting.

The committee adjourned at 12.25 o'clock p.m. at the call of the chair.

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Canada External Affairs Board of Directors
L.M. 1946

(SESSION 1946)

(HOUSE OF COMMONS)

Government
Publications

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(STANDING COMMITTEE)

(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

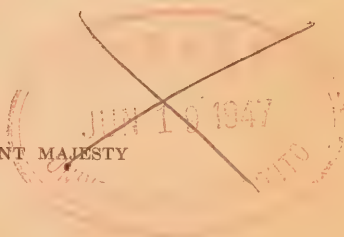
No. 6

TUESDAY, JUNE 11, 1946

WITNESS:

Mr. A. L. Cooper, Assistant Passport Officer, Department of External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

TUESDAY, June 11, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock, Mr. Bradette, the Chairman, presided.

Members present: Messrs Beaudoin, Bradette, Croll, Fleming, Fraser, Graydon, Jackman, Low, MacInnis, MacLean, Marquis, Mutch, Picard, Sinclair (Ontario), Tremblay and Winkler.

The Committee considered *item 42* of the estimates referred, being Passport Office-Administration.

Mr. A. L. Cooper was called and gave a description of the functions and methods of the Passport Office.

The witness was examined and retired.

A suggestion by Mr. Jackman,—

That validity period of passports be extended from two to five years,

and another suggestion by Mr. Fleming,—

That the committee consider the advisability of recommending that passport application forms be made available in all government offices including post offices, of all cities and towns in Canada.

were referred to the Steering Committee for study and report.

The Chairman announced that at the next meeting Mr. A. L. Joliffe, Immigration Branch, Department of Mines and Resources, would attend and explain the methods used in admitting to Canada, persons holding visas from foreign countries.

On motion of Mr. Beaudoin the committee adjourned at one p.m. to meet again at the call of the Chair.

F. J. CORCORAN,

Acting Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 11, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we are now ready to proceed. We all realize how difficult it is for us to hold a meeting in the middle of the week, particularly on a day when four other committees are sitting. We have with us today Mr. Albert Lewis Cooper, Assistant Passport Officer, of the Department of External Affairs; and we are dealing with item 42 of the estimates. I will ask Mr. Cooper to come forward and make a statement.

Mr. Albert Lewis Cooper, Assistant Passport Officer, Department of External Affairs called.

The WITNESS: I think I should like to make it clear that the necessity of the passport does not arise from any regulation of the Canadian government; practically all countries now demand of incoming travellers the production of evidence of nationality and identity. That is given in a passport which is issued on the authority of the head of the government. The passport does not carry with it any permit to enter another country or to leave this one; all it is is evidence of nationality and identity. In the case of British countries entry is allowed with a passport without a visa on it, but as regards foreign countries, before entry can be made the passport requires the visa of a consular representative in Canada of the country concerned. That actually is the permit to enter the country, not the passport itself. The visa is the thing.

In Canada the issuance of passports comes under the Department of External Affairs, and we have set up an office known as the Passport Office to deal with that particular angle. At the present time we receive practically 1,500 applications a week, so that requires a fairly large staff to handle the work; that is in order to give the applicants reasonably quick service. What we are trying to do is not to hold up an application for more than seventy-two hours: either give an answer by issuing a passport, renew an old one, or write a letter asking for further information. In making an application certain information is required, so that an application form is printed which will bring out the facts that we need to determine whether the passport may be issued. Our authority extends to the issuing of passports only to Canadians or other British subjects in Canada. We cannot issue a passport to an alien at all; the alien must apply to the consul of his own country in Canada.

These application forms are sent out to various steamship offices, banks, legal firms and others who are interested in passports so that people will be able to get them in various centres in Canada; or they can write direct to the passport officer. In many cases travel is to the United States, so we send them also a memorandum of the general requirements for entering the United States. Their regulations, by the way, will permit entry without a passport if a person carries some other document such as a birth certificate, a baptismal certificate, certificate of naturalization. In some cases U.S. border officials accept a registration certificate. That is not general.

Mr. Low: That is limited.

The WITNESS: That is for a visit up to twenty-nine days. They will take a passport regardless of whether it is valid or not; it may have expired. At one time the United States consuls issued what they called a border crossing card for temporary visits.

Mr. FRASER: Are those out now?

The WITNESS: They are out now as far as the issuing is concerned. They will still accept them whether they are valid or not. As far as the United States is concerned, travel is fairly open at the present time. However, we still get a large number of applications for passports to the United States due to the fact that people have got into the habit of getting them and find them handy; and they are probably easier to get than a birth certificate.

Mr. JACKMAN: Is the two-year rule applicable?

The WITNESS: The initial period of validity is two years, and there is provision for a renewal of four further periods of two years—ten years in all.

By Mr. Jackman:

Q. Is there any reason why that period cannot be extended to five years? It is a nuisance having to renew these passports, particularly if you use a passport once or twice during a two-year period. One may look forward to a trip every year, and he has to have a renewal; two years slips by quickly.—A. That was the case prior to the war, passports were good for five years and could be renewed for one period of five years—ten years in all.

Q. Is there any reason why we should not give consideration to recommending that the period be extended to ten years again?—A. No, there is no reason why; I think it would be a good thing.

Mr. Low: You might change your looks in the meantime.

The WITNESS: Those photographs are sometimes pretty bad.

Mr. JACKMAN: The only way we as a committee can bring about action to support our proposal is to put it in our report.

The CHAIRMAN: Yes.

Mr. Low: I think that is very important.

The WITNESS: I think it is a good point.

Mr. Low: It would certainly get rid of a lot of mail in your office.

By Mr. Fraser:

Q. And it would also affect the work of the members of parliament because members are continually getting in passports for renewal. I had five during the last week.—A. I think it must be so with most members, judging by the number of phone calls.

By Mr. Graydon:

Q. In respect of the matter of visas, I take it that before an alien can enter Canada the same visa procedure must be followed by him in that particular country through our consul before he is allowed to come to Canada.—A. I think that is the case; yes.

Q. Are those regulations fairly uniform as between the various nations of the world?—A. No, they vary a great deal.

Q. I have a case before me at the moment which is working a great hardship upon a Canadian who desires to go to the United States. In 1928 he had a conviction of theft of an automobile radiator cap when he was a young lad going to high school. There is some doubt about his guilt. This was in western Canada and there were two or three young boys involved. Not having any money to go to a lawyer and have his case pleaded in court, he pleaded

guilty. It is a ridiculous sort of conviction, but it is keeping him from going to the United States. However, it appears from what we can find out that there is no power by which the United States officials can allow him to enter the United States, in spite of the fact that this is such a ridiculous sort of conviction which has been registered against this man. There is no method of appeal, apparently. I have endeavoured to find a way of appealing so that he can go into the United States. He is a highly regarded citizen and he finds himself unable to enter the United States to do business in connection with a new enterprise which he has formed. Now, what would our position be in respect of a case like that if a man wanted to come to Canada? Do we have as high standards in respect to matters of that kind as apparently the United States has? It seems that you can have a conviction against him for anything that does not involve a matter of moral turpitude and that seems to be the difficulty that faces my man at the moment. I was wondering if you could throw any light upon what is done in a case like that. This is one of the most ridiculous cases I have come across thus far. I have gone as far as I can as a Canadian to try to have the matter rectified, but it seems that there is no way by which an appeal can be granted through the United States authorities on a matter of that kind. The only action they will permit is for a magistrate to annul the conviction; in this case the magistrate cannot do that because he is dead, and as this was a case which involved a small boy some years ago all the people identified with the case have either passed away or gone out of the picture; and there he is with that ridiculous conviction against him which stops him from going into the United States to do business.

Mr. MARQUIS: Even if the magistrate were living he could not do anything; there is no provision to have a conviction changed after the delays of appeal are over.

By Mr. Graydon:

Q. That point does not arise because the magistrate is dead.—A. Was that conviction made in the United States?

Q. No, here.—A. In Canada?

Q. Yes. We are trying to get him a visa, but they will not grant a visa because of the fact that he had this minor infraction of the law and a conviction registered against him. It seems to me to be a very strange situation and one which is working an immense hardship in the particular case I have in mind. What would you do in a case like that if someone were coming into Canada?—A. I could not tell you that, because we do not deal with people coming into Canada; that would come under immigration. We deal only with outgoing cases.

By Mr. Marquis:

Q. For people who are going out of Canada I think, according to our regulations, only those who are condemned to penitentiary are refused permission to go to France and some other foreign countries. I believe for these minor offences there is nothing which would prevent a person from going there. I should like to have some clarification of that point?—A. Of course, the granting of a visa by a foreign consul is a matter entirely for the consul to go by his own regulations.

Q. But do you give another passport?—A. We would give the man a passport.

Q. Even if he had been committed to penitentiary, will you give him a passport?—A. It would depend; we might have to make inquiries there.

By Mr. Fraser:

Q. Some foreign countries not only demand a letter from the chief of police of any town or village but they also demand fingerprints. Of course, they do that in the United States.—A. The United States consuls demand that for a permanent visa for entry into the United States.

The CHAIRMAN: Following up the question asked by Mr. Graydon, they must have quite a bureau to follow up these processes even in the case of a minor offence. Do the authorities here make a report of this man's guilt?

The WITNESS: There is no report made as far as we are concerned.

Mr. LOW: Probably the boy was honest and said in his application that he had this little conviction registered against him.

Mr. GRAYDON: No, what happens is this: before they are allowed a visa they have to have a certificate from the Canadian authorities stating that there is no conviction registered against the applicant; and this conviction appears in this case.

The CHAIRMAN: Does it specify that he had no conviction against him?

Mr. GRAYDON: No, it specifies that he had.

The CHAIRMAN: On the application form it specifies that he must answer that question?

Mr. GRAYDON: No, this is a certificate given by the Canadian authorities. Some Canadian authority must give this man a clear bill of health.

Mr. MacLEAN: I have written hundreds of letters for people who desired to go to the United States. You have to give a certificate that they have no police court action entered against them, and they will not accept them if they have any.

Mr. MARQUIS: I think we have that set-up through the Department of the Secretary of State, and they gather information from the Department of Justice and the other departments concerned.

Mr. GRAYDON: I must say that the American officials have been most courteous and helpful here in connection with the case I have mentioned, but they are apparently completely prevented and prohibited by the American laws from having any appeal in connection with this matter, and it simply stands as a conviction regardless of how ridiculous the conviction is.

Mr. MARQUIS: Probably it would be important to amend the criminal code in regard to small legal offences when we have young lads who cannot be punished as criminals. It should be a summary conviction.

Mr. GRAYDON: This had to do with the theft of a radiator cap worth about five cents. It would be different had he been accused of having committed a robbery. There should be some criminal code provision with regard to a minor offence and summary conviction. This would not be in his record and considered as a criminal offence. There should be a distinction between the small offences and the greater offences, but we cannot deal with that here.

The CHAIRMAN: I do not think the remedy would lie with an amendment to the criminal code; this would be an international matter between the two countries to make a border line as regards a case where a person could not get a visa to go to the United States.

Mr. MARQUIS: When it is a question of theft you cannot distinguish between a theft of five cents and a theft of two dollars. If you have an amendment specifying that the theft of twenty-five cents or one or two dollars in an infraction, a legal regulation punishable by way of summary conviction, I think it will not appear as a conviction in his record.

Mr. WINKLER: When I applied for a passport some years ago I do not recall any reference as to whether I had ever been in jail or fined for some criminal offence. I cannot understand how this chap got his record known in the United States.

Mr. GRAYDON: It is not on the passport; it is the application for visa for going into the United States. It has nothing to do with our authorities at all. It is a regulation whereby the United States authorities require this information before they give a visa.

Mr. WINKLER: I have had many visas for entry into the United States and I have never been asked that question.

Mr. MacINNIS: Perhaps you have never stolen anything, or perhaps you have never been found out.

Mr. FRASER: Mr. Cooper mentioned the fact that passport application forms are sent out to different railway offices and other places. They used to be sent to the post offices, but during the war years you ceased that practice with the post offices and they have not been allowed to have them.

The WITNESS: We did shut down for a while, but we have opened up again, and any postmaster who wants application forms can get them.

Mr. MacINNIS: Do all the consuls here issue visas now or would that be something that you would not know?

The WITNESS: I could not say definitely.

Mr. FRASER: I do not believe the Spanish consul issues visas. There was some difficulty in regard to that matter a few months ago.

By Mr. Low:

Q. How about the Vancouver office? Are you going to open that office again? That was closed during the war.—A. I have not heard anything along that line.

Q. I think that should be a matter for early consideration because it takes so long ordinarily for the mail to come from western Canada to Ottawa and back again that it becomes a strain on the people when their business requires their going across the line, perhaps for an extended period of more than twenty-nine days. They find that they have to hold up their arrangements because of the fact that the mails take a week or ten days. When that office was open in Vancouver we could get our passports in Alberta much more quickly, and that was a great convenience. I certainly suggest that something be done to have that office reopened. I should like to suggest, Mr. Chairman, that if it is reopened pressure would certainly be taken off the office down here to a great extent.—A. Yes, a certain amount of it would.

By Mr. Fraser:

Q. How many employees have you at the present time in your office?—A. Sixty-two, all told.

Q. In the passport office?—A. Yes.

Q. Does your staff not change quite often? Is it not a fact that they stay there a short time and if they can get a chance to go into another office they move on?—A. The great majority of the staff are on a temporary basis, and as the work drops we let the staff go, and if the work increases we take more on.

Q. How many are on a permanent basis?—A. Very few; ten all told.

Q. Has there been any change during the last few years in the number that are supposed to be on a permanent basis?—A. No, there has been no change since the war broke out. Prior to that we had fourteen permanents.

By Mr. Low:

Q. The volume of your work is greater than it was before the war, is it not?
—A. Yes. One clerk has been superannuated, one died and two left us.

Q. Is it not true that the volume of the work handled is much greater than it was prior to the war?—A. Yes, during the war it increased immensely.

Q. And it has not slacked off much?—A. Not a great deal.

Q. With a permanent staff of ten you are handling now a volume of work that is greater than it was when you had fourteen?—A. Yes, much.

Mr. FRASER: Should you not have more of a permanent staff so that you would have a force there sufficient to carry on at all times?

The WITNESS: Yes, I think we should have a permanent basic staff probably of around twenty-five.

Mr. Low: That is the point.

By Mr. MacInnis:

Q. I see an increase of \$51,000 over last year. Was some of the work done in some other department, or how do you account for the increase?—A. I cannot tell you anything about that.

Mr. Low: Is that the whole vote?

Mr. MACINNIS: Yes.

The CHAIRMAN: Will you take that as a notice of a question to be answered?

The WITNESS: Yes.

The CHAIRMAN: There is some revenue emanating from the issue of passports; are you in a position to give us that revenue?

The WITNESS: No, I could not give you the exact figures.

The CHAIRMAN: Will you obtain them?

By Mr. Graydon:

Q. I take it that the revenue does not take care of the expenditure?—A. Oh, yes, it more than covers it.

By Mr. Fraser:

Q. How many different kinds of passport application forms have you got? You have the ordinary A form, and a form for children under sixteen?—A. And renewal form.

Q. The three forms?—A. The three forms, and they are printed in the two languages—one set in English and one set in French.

Mr. WINKLER: What would happen to the revenue if the passport period were extended from two to five years?

The WITNESS: I think we would have to adjust the fees to the old standard; it would amount to the same thing. We charged \$5 for a passport for a five-year period.

Mr. MARQUIS: Now you charge \$3?

The WITNESS: \$3 for a two-year period.

Mr. FRASER: And \$2 for the renewal?

The WITNESS: Yes.

By Mr. Jackman:

Q. Have you any observations to make on the fact that the visas are handled by the Immigration Department—the visas to the United States by

their Immigration Department? Is that what I am to understand from what you have said?—A. No, the visas are handled by the consular representatives of foreign countries in Canada.

Q. You did mention the Immigration Department a little while ago?—A. That is for travellers coming into Canada.

Q. When Canadians go to other countries, particularly the United States, the visa is arranged by the American consul; has their Immigration Department anything to do with it?—A. Yes, they are examined at the border. The visa of the consul will allow them to go through.

Q. Does that differ from Canadian practice?—A. I do not think so.

By Mr. Graydon:

Q. I am not sure you are accurate when you say that the visa will in every case enable a person going from Canada to the United States to pass the immigration officials at the border. I understand there have been cases where a visa has been issued and still the immigration officials at the border have held up the passage of the immigrant?—A. It is possible. I would not like to be too sure of that.

Q. It is not usual?—A. Usually they are recognized.

By Mr. Fraser:

Q. For the renewal of United Kingdom passports we just use the dominion government renewal form?—A. Yes, sir, the same form.

Q. You handle them the same. I have had two in the last few days. You renew them with the Canadian renewal form?—A. Yes.

Q. Is there any record you have to pass on to the British government on the renewal?—A. No, there is no record at all.

By Mr. Graydon:

Q. What happens if a Canadian is abroad and he loses his passport; what does he do?—A. He would apply to our Canadian representative in the country where he is at the time and ask for another passport.

Q. Now, that brings this point up: we have not got a consular service in every country, have we? Have we always used the British consular service?—A. No, we have not a representative in every country, but where there is none the British consul acts for us.

Q. What, if any, necessary arrangement have we with the British consul so far as cases like that are concerned? Do we pay him for the work he does, or is there a reciprocal arrangement?—A. They simply charge their scale of fees.

By Mr. Low:

They actually issue passports in those countries without reference to the fees?—A. Yes.

By Mr. Fraser:

Q. They would issue a United Kingdom passport?—A. Yes.

Q. Which is the same as the Canadian passport?—A. Practically the same thing.

By Mr. Jackman:

Q. Under the jurisdiction of which department is the official who collects your Foreign Exchange Control Board permit when you cross the border?—A. I believe it is the Department of Customs.

Mr. Low: Yes, it is the Customs man.

By Mr. Fraser:

Q. If a passport, say, expired in 1935 it cannot be renewed; you have to get a new one?—A. Yes.

Q. Why was the ten-year period put on the other renewal?—A. Like any passport which expired in 1935 we would have to issue an entirely new one.

Q. According to the regulations?—A. Yes, the passport would be good for ten years from the date on which it was issued. It would have no reference to the previous one.

Q. And the old one would have to be torn up?—A. It would be cancelled.

By Mr. Jackman:

Q. If you have not renewed your Canadian passport before the expiration date, do you have to go through the process of applying, de novo, or can you still get the expired passport renewed?—A. Yes, within any time within ten years of the date of issue you can renew it. That frequently happens. Some renewal periods are dropped entirely; you can get renewal until the last two years of its life. We will extend it for that time and charge for one renewal only.

By Mr. Winkler:

Q. Are passports for any reason ever cancelled?—A. Yes, they are. They can be cancelled for cause.

Mr. GRAYDON: What is the cause?

The WITNESS: It would have to be a very serious matter.

Mr. WINKLER: Have there been cancellations in recent years?

The WITNESS: I have not seen any for quite a while now.

By Mr. Graydon:

Q. I do not know whether this comes within your scope or not, but is it easy to get a visa once you have a passport to enter the Union of Soviet Republics?—A. I think it is rather difficult to get that, as far as I know.

Q. Is it easy if a citizen of Russia wants to come here? Do we put up the same obstacles in connection with visas for them to enter the Dominion of Canada?—A. I could not tell you about that, sir; that comes under another department. That concerns incoming travellers.

The CHAIRMAN: What department?

The WITNESS: That would be under the Immigration Branch of the Mines and Resources Department.

Mr. LOW: Have we ever followed the practice of fingerprinting incoming people?

The WITNESS: No, that has never been a Canadian regulation.

Mr. GRAYDON: Is that a regulation in certain countries?

The WITNESS: The United States has it.

By Mr. Fraser:

Q. And all South American countries?—A. A great many of them.

Q. I have here an Australian news summary dated May 23 which says:—

Immigration Minister Arthur Calwell announced in Adelaide tonight that restrictions imposed upon National Security Regulations on the issue of passports to Canada, the United States and Pacific Islands with the exception of Japan, will be relaxed from June 1. The usual conditions imposed under the Passport Act will continue to operate. Persons wishing

to travel from Australia to the United States and Canada will get passports limited in validity to those two countries. Mr. Calwell said that relaxation of restrictions affecting travel from Australia to the United Kingdom was under consideration.

What would that mean?—A. That would mean travellers from Australia.

Q. By relaxing would that mean that they curtailed that issue?—A. Probably during the war.

Mr. Low: It is outside of this department?

The WITNESS: Oh, yes. That would be an Australian matter.

The CHAIRMAN: Do you find any conflict of administration between the Department of Immigration and the departments of other countries?

The WITNESS: No, we do not find it. Entry to Canada, of course, is a matter for Immigration to decide; it comes under them. They follow their own regulations. Usually in the case of External Affairs if someone applies for a visa to come here the matter would be referred to Immigration first.

The CHAIRMAN: We may have to have an official of the Immigration Department to deal with that question.

Mr. Low: I think that would be a good plan.

The CHAIRMAN: You spoke about a Russian coming into Canada and a Canadian going to Russia. If it is the wish of the committee we might arrange to have someone from the offices of the Immigration Department come before us to deal with that aspect of the visa matter.

By Mr. Graydon:

Q. I take it from what you say, Mr. Cooper, that there are clear and definite boundaries as far as your work is concerned and that of the Immigration Department. You would only deal, as you said, with the issuance of passports which are evidence with respect to nationality and the identification of the person. In the public mind, however, the question of a passport and a visa is a very conflicting and confusing thing, and maybe technically there is no overlapping or perhaps no lack of clarification between the two departments. The average citizen, I fancy, thinks when he gets a passport that we have given him a passport to go where he likes, and I think most members have found that they have to explain to the public that that is really an identification and contains reference to nationality, but that the Canadian has to have an entrance certificate, which is a visa, in addition, if he wishes to go to another country. I suppose there is no real overlapping between the two departments because you have separate jurisdiction?—A. It is quite simple.

Mr. FRASER: Is there any regulation in regard to a passport issued to a boy of eight or nine or ten years who applies for a renewal ten years later and and the boy's appearance has changed; is there any regulation that he has to have new pictures?

The WITNESS: There is no regulation; we usually ask for a new photograph.

Mr. Low: Is that why we require certain information on the back of one of the pictures giving the date?

Mr. FRASER: In this case you would not need that; on a renewal there are no pictures showing likeness because the pictures are all on the passport.

Mr. Low: You do require pictures?

The WITNESS: Not for renewals.

By Mr. Fraser:

Q. That is the question I asked, because I had the case of a British passport the other day where a boy from Toronto wanted a renewal and I think the

British passport was for 1927 and it had been checked each year or each two or three years and the boy has entirely changed in appearance since the pictures were taken. You gentlemen would ask for new pictures, would you not?—A. No, we would not unless there was a very great change.

By Mr. Graydon:

Q. What steps does the department take to protect itself against the issuance of fake passports? Have there been any cases where passports have been issued to the wrong persons?—A. Oh, yes, they do occur.

Q. Have there been many instances in your department?—A. There have been a few, yes.

Q. In recent times?—A. I would not say in recent times.

Q. What has happened in those cases?—A. We usually turn the matter over to the R.C.M.P.

Mr. FRASER: In that case it would bounce back on the person who vouched for that other person?

The WITNESS: Yes, that is the only protection we have. There is a section in the criminal code.

Mr. GRAYDON: Have there been any convictions, do you know?

The WITNESS: I do not think so. I think the most that happens in these cases is that the voucher has been placed on the list of those from whom vouchings will not be accepted, and usually he is notified why we do it.

By Mr. Jackman:

Q. In connection with people going to the United States, when baggage is accepted by the customs officials I suppose the Department of Revenue is responsible? Who pays the customs?—A. You mean going out?

Q. No, coming back from the United States?—A. That would come under National Revenue.

Q. Does the same officer check your identity and decide whether you are a fit person to come into Canada?—A. That would be checked by immigration.

Mr. MACINNIS: That does not fall within your province at all?

The WITNESS: No, it does not.

Mr. FRASER: Have you enough room in your office to handle the issuance of passports or are you cramped for space?

The WITNESS: We have ample room there.

By Mr. Graydon:

Q. I think you said in your early remarks that the passport forms are to some extent uniform throughout the nations of the world; is that the case in each nation, or how is that uniformity achieved; is it by an international conference?—A. I do not remember saying that; they are not uniform.

Q. Oh, they are not uniform?—A. Each country provides its own forms of application, and even within the British Empire they are not all the same.

Q. Have our forms been found to be sufficient for our purposes?—A. Yes, they have. We had to devise a form that would conform with our particular laws. There are certain difficulties in the case of married women who marry United States citizens which do not occur in some of the other British countries. They have very few cases of that kind whereas we have a great many. Our form had to be prepared to take care of cases like that.

Q. Are you satisfied with the present type of form?—A. Yes, it has worked out satisfactorily.

The CHAIRMAN: Are there any more questions which you wish to ask of Mr. Cooper?

By Mr. Jackman:

Q. Is there any international agreement fixing the visa fees among the various countries?—A. No, there is not.

By Mr. Low:

Q. There is no visa fee?—A. Each country makes its own rates or fees.

Q. Between Canada and the United States?—A. Their scale is entirely different.

Q. They do not charge a fee just for a visa, but if you are going to settle there is a head tax?—A. They charge a \$10 fee and \$8 for head tax.

Mr. GRAYDON: They do not charge a fee for ordinary entry?

The WITNESS: They do not charge for a visit.

Mr. JACKMAN: How much of a visa fee does Canada charge?

The WITNESS: \$2.

The CHAIRMAN: Did I understand you to say at the beginning that it is not necessary to get a passport to go to the United States, that a certificate is sufficient?

The WITNESS: Yes, according to United States regulations it is sufficient for a visit up to twenty-nine days.

By Mr. Fraser:

Q. A birth certificate or your automobile licence sometimes will get you in?—A. Yes, in some places.

Q. What is the condition of your office now? How many hundreds of passports have you in the office at the present time? How many do you get a day—application forms?—A. I do not know just the daily rate, but they run about 1,500 a week.

Q. You were running during the war many more than that, were you not?—A. Yes, at that time there were as many as 2,600 a week.

Q. How many are you behind now? Do you catch up at the end of the week?—A. At the end of last week—that is Saturday—we were slightly more than 400 behind.

Q. That would mean that your passport deliveries now are only about seven days. If an application for passport comes into your office this morning there is every likelihood that the passport will be mailed out about this time next week?—A. Yes, probably sooner. We try to give a 72-hour service.

Q. During the war the period might have been a month?—A. Yes, sometimes more than that.

Q. It would be about a month, perhaps longer?—A. It was very difficult at times during the war to get these passports out. We were swamped. A small staff of ten or twelve people suddenly jumped up to two hundred. They knew nothing about the work.

Q. I went into your office about the first part of July—I think it was in 1941—and one long office was piled with passport applications and they looked to be about a foot and a half high and many of them had money pinned on them.—A. That was in 1940.

Q. They had not been touched, and the Lord only knew when they would be touched.—A. Fortunately I was not there at that time.

By Mr. Graydon:

Q. In addition to the fact that a passport provides two things, identification and nationality, why is it necessary for an applicant to set out in his application the countries to which he intends to go? Is there anything connected with the suggestion that it might be a passport which would enable a person to go to any

country he might desire to travel to?—A. That was possible before the war, but since the war, as you know, in Europe and the Far East especially, a certain amount of turmoil exists still, and it is difficult to give protection to people.

Q. Does the passport normally give protection?—A. It calls upon our officials abroad to give what protection they can.

By Mr. Fleming:

Q. Mr. Cooper, with regard to the distribution of application forms, I had occasion last Saturday to try to get a passport application form for a friend in Toronto. I tried the post office and the dominion government building at No. 1 Front Street East, and I was told there was not such a thing in Toronto and it would be necessary to go to Ottawa for it; is that correct?—A. That is not correct. We send these forms to railway ticket offices and to banks.

Q. Anywhere else?—A. To steamship offices; in fact anyone who wants a supply of forms can get them.

Q. That was the answer given me at the main postal terminal in Toronto and at the dominion building at No. 1 Front Street East: there were none in Toronto and it would be necessary to write to Ottawa.—A. That is not so. If a postmaster wanted these forms he could get them by writing to us.

Q. Could he keep quantities on hand for people who wanted them?—A. Yes, we would send them.

By Mr. Fraser:

Q. I think Mr. Cooper's answer to my earlier question this morning would cover that point. During the war they were not sent out to the post offices; they stopped that practice; but since the war is over they are allowing the forms to go out. I believe that the postmasters in the different post offices have not been informed that now they can get these forms, and that is why they have not got them.

By Mr. Fleming:

Q. It should not be left to the individual postmasters to make the applications to the passport office for a quantity of forms; they should be available in these post offices and other government offices for people who need them. It should not be necessary to write in for the forms; they should be widely distributed and made available to anyone on immediate application.

My other point is this: it has to do with the form of the passport. Perhaps this question was asked earlier. I understand there has been a change in the form. Formerly the passport was issued in the name of the Governor General and lately that has been changed and the passports are now issued in the name of the Secretary of State for External Affairs?—A. Correct.

Q. When did that go into effect, and what is the reason for the change?—A. It came into effect when the Earl of Athlone terminated his term of office; but I could not tell you the reasons for the change, that would be something for External Affairs.

Q. Was that brought about by order in council, or what form did the instruction take?—A. I do not know. Those things are arranged by the department itself.

Q. You are supplied with the forms?—A. We are supplied with the passport books.

Mr. CROLL: It probably had something to do with the passing of the Citizenship Bill.

The WITNESS: Perhaps.

By Mr. Jackman:

Q. Why is it necessary for people coming from the United States particularly that they should have to run the gamut of both the custom officials in Canada and the immigration inspector? Most of their inquiries are pretty much pro forma, and I was wondering why we cannot have one Canadian official looking after customs and immigration. I realize that at seaports it may be necessary to have separate immigration officials, but who would be the proper person to question on why these two services cannot be combined and thereby effect considerable savings to the country? This question is probably outside the province of Mr. Cooper, but he may be able to offer us some help, and if we ask the Revenue Department about the customs angle they will give us their viewpoint, and if we ask the Immigration people they will give us their point of view. Now, as regards ports of entry from the United States those two functions could be combined in the one official with considerable saving to the country.

Mr. PICARD: On the trains coming from New York or Chicago if you had only one man or two men dealing with both services they could not carry out their duties to the two departments in justice and fairness, because in some cases the immigration man may be looking at the papers of some person who may not be a proper person to enter Canada for some reason and he might want to get him off at the border, and the man who represents Customs has got to go through the luggage, and that is an entirely distinct function, and he must make sure that he performs his duty. If the same man were charged with both duties he could not perform both to the satisfaction of both departments. Now, maybe in a port of entry the same man might be able to do the work in the same office because he would have more time, but as much of the immigration inspection takes place on the train for the convenience of the passengers, I do not think that the same man could do both jobs. These men on the trains are taken from the port of entry office so that we must have there men from both departments to protect the country. At one point on some days they have to check up credentials quite carefully, and I wonder if the same man could do both jobs or would we by saving a few dollars help the work of the two departments?

By Mr. Fraser:

Q. Mr. Cooper, you said that the offices you have are large enough, but I was wondering whether, the offices being so far away from the main offices of the External Affairs Department, it causes some difficulty?—A. That is a distinct disadvantage—having the office so far away from the rest of the department. We have plenty of room, but it is very inconvenient at times to be so far away.

Q. You must be nearly three-quarters of a mile away?—A. Yes, we must be.

Mr. WINKLER: Reverting to Mr. Jackman's question, along the forty-ninth parallel of latitude in the prairies particularly there are many points where one man performs the duties for all the departments; he is the only representative there, and he serves without any relief except periodically for holidays.

The CHAIRMAN: Following the question asked by Mr. Fleming, do the postmasters have to handle the national revenue forms? I have heard a lot of complaint in my section about the extra work which is piled on the postmasters today, work which has nothing to do with the post work itself. Now, while it is a very important matter that passport applications should be distributed all over Canada, I cannot see why it should be done through the small rural post offices where the postmaster gets a minimum of \$100 a year. This would be extra work. He would have to keep those application forms in a

proper place at the disposal of the public. In the larger cities there should be a system where they could be handled for the public as the post office is the only place where every family goes once a day.

Mr. FLEMING: Here are two responsible government offices in Toronto and there were no passport application forms to be had in Toronto.

The CHAIRMAN: What department?

Mr. FLEMING: The post office and the dominion government building at No. 1 Front Street East, which houses the Department of National Revenue and some other government offices.

The CHAIRMAN: Generally speaking, the postmasters are loaded up with everything, and some of them object. There has been some objection in my own constituency because the postmasters get no added remuneration for that work.

Mr. FRASER: I do not think the small post offices would be asked for application forms very often, but I think the application forms should be kept in the cities and villages where we have to pay a postmaster—not where the postmaster is on a commission basis.

The CHAIRMAN: That brings up the question of compensation. It is almost impossible to ask a postmaster, generally speaking, to handle the work of another department.

Mr. FRASER: Well, at the present time the postmasters throughout Canada are handing out income tax forms and they do not get anything extra for it.

The CHAIRMAN: It is a question that should be studied from all angles. It means a lot to the big cities and the municipalities, but would it be applied to the smaller sections?

Mr. MARQUIS: It can be considered as a mail service if some of the forms are mailed. If we send them some forms they will deliver them on the same basis as mail.

The CHAIRMAN: Has your department the power to ask the postmaster in the city of Toronto to take these forms and distribute them?

The WITNESS: No, all we can do is ask them—send them a request asking if they are willing to handle them and if so we will let them have forms.

Mr. FLEMING: I think at times the public become impatient at what they find in government departments as to whether they are related to other government departments. There may be some inconvenience in certain places in keeping a suitable quantity of passport applications on hand, but surely this is a matter of giving service to the public and it is not going to take a great deal of space in any post office or public building, and the public is entitled to that service. It is an extraordinary thing that people in this country should find that they have to write to Ottawa for application forms because some local government officials, exercising their option, have decided that they are not going to give the service which they are not compelled by their departmental authority to give. I do not think that is good enough.

The CHAIRMAN: I understand the point of the public not getting proper service, but is the passport department to have a special department for the distribution of these forms? I do not believe we have the power—

Mr. PICARD: It could be arranged between the two departments of the public service.

Mr. FLEMING: It is a matter of co-operation between departments, and the ministers are their liaison between the departments.

Mr. MARQUIS: The Department of Immigration have these forms everywhere where they have offices, have they not?

The WITNESS: Not in every office.

Mr. MARQUIS: They should have them.

The WITNESS: Some of them have. We will supply them with forms if they are willing to handle them.

The CHAIRMAN: I will ask the members of the committee to study this angle and see what recommendation we can make.

Mr. FLEMING: The clerk should make a note so that we will not lose sight of this matter.

Mr. JACKMAN: While I appreciate that some of these postmasters in small places receive minimum fees for their work, I should like to move that a request be made to the Postmaster General asking him to authorize or command—whatever the appropriate term is—all postmasters to facilitate the public in a distribution of these passport application forms. I should think that Mr. Bertrand would be very glad to take on that additional duty. As far as the small postmaster is concerned, it simply means that he has a file of forms on hand; it is not an onerous duty to impose even upon the small man. Certainly in the large centres it is very difficult—particularly when a man has an urgent call to go to the United States—if he cannot readily find a passport form. I should think we would want something like several hundred forms in a place like Toronto; a stock of them should be kept.

Mr. PICARD: We might modify that proposal by stating that it should apply to all post offices with regularly paid employees, regular post offices that cater to a large enough community where the postmaster is on a regular salary basis.

Mr. FLEMING: I suggest that Mr. Jackman's proposed motion should go further; it is not just post offices but other government offices which could easily carry some of these forms on hand. I suggest that the request should be made to government departments in general. Post offices are the places that naturally come to one's mind, but I think there are other offices as well that might have some of these forms on hand as a convenience for the public.

Mr. SINCLAIR: It seems that the view is that every place is Toronto. Now, in my riding there are dozens of little post offices where a man would never think of going to ask for a passport. If he is going away from home he knows that he is supposed to go to the railway office or the steamship office, and if he goes to the railway office they will have the passports. I have sent different people to the C.N.R. and the C.P.R. in Oshawa and they have got their forms and everything is all right. I am satisfied that the railway companies in Toronto must have these forms and that it is not necessary to load this work on these little post offices. It is unworkable. It is a big bill of expense to print all these unnecessary forms. The larger places, the county towns, places like Oshawa, have these forms at the transportation offices. It seems to me that is the logical place to go to make inquiries if one is going to make a journey to the United States. I certainly would not be in favour of loading this work onto these country postmasters who receive \$100 a year.

Mr. MacINNIS: I would like to say that maybe this is an unusual way to deal with this matter. It is not particularly urgent at the moment. Would it not be better, instead of passing Mr. Jackman's motion, to make a recommendation in our report and then bring that to the attention of all concerned?

The CHAIRMAN: I would not be in favour of trying to put that work on the small post offices because they are not civil servants and they do not get special pay. They get \$100 a year or the equivalent of that; some of them get \$325.

Mr. JACKMAN: They get a commission on stamps.

The CHAIRMAN: It does not amount to very much.

Mr. WINKLER: I am sure that Mr. Fleming is only interested to see that there is a proper distribution of these forms; he is not necessarily trying to load

anything onto one person or another; but in my constituency where the post offices are small it would be a considerable hardship if any department should start unloading literature of any kind on the postmasters, as they are very much overloaded by reason of departmental work that has been pushed onto them.

Mr. JACKMAN: I receive a number of requests for passport applications and I usually keep about half a dozen in my office in Toronto. I do not find the slightest difficulty in having a few extra forms around and it saves me a lot of trouble. People apply to the postmasters for these forms because they do not know where else to go. It is not much trouble keeping an envelope with a dozen forms available to satisfy customers, and postmasters are very often merchants; and the smaller the office the higher the commission on stamps. On the first \$100 they get so much, and the more they sell the more people go to them for service and the more people are likely to buy stamps. I think it is probably a profitable thing for the postmaster, as a merchant, to have people going to him, and I do not believe it is going to burden him very much, because I do the same thing in my office and I do not find it a burden at all.

Mr. PICARD: When I heard my friend speaking about the sale of stamps I was hoping that he could see the list of pay of my twenty-two postmasters. Some of them get as little as \$25 or \$50 a year, and the top man would get only \$1,200.

May I revert to another point. You, Mr. Cooper, have never considered that it might be more advisable to get a birth certificate to be supplied by the applicant with an application for a passport?

The WITNESS: No.

Mr. PICARD: At the moment it is not requested, but I know of a case where a chap came to the office of the Minister of Justice, and he was a political friend of different origin than English or French—I do not know what it was—but he came to me and asked me if I would help him to get a passport for his friend, Mr. Howard. So that I would know what I was sending over I put a knife in the envelope; I said, “I want to see what I am sending.” I opened up the envelope and it contained a passport with the man’s own photograph slightly changed with a different tie or his hair fixed differently. I said, “This is you.” He said, “That is not me.” I said, “It must be your twin brother.” I said, “I will send it on but I will not add any recommendation, or I will give it back to you.” It was sent over to the department. I let it go, and I did not call the passport office to see what was going on, and he got the passport that day. The man in the office could not very well verify the last photographs, and the name was different, but it happened that someone looking over the files must have seen this and recognized a resemblance. It took about a month. They notified him and got the passport back. That killed him politically and otherwise in our office. He was not a friend from that moment on and was regarded with suspicion. There was no way for the man in the passport office to check up all the photographs. Had there been a birth certificate this man could not very well have asked for a passport under the name of Howard when his name was different. When there is no birth certificate you can go away and get a good photograph to look different and get another passport. I think in some cases it has been done.

The WITNESS: They do ask for birth certificates in Great Britain.

Mr. MARQUIS: You do not ask for birth certificates?

The WITNESS: No, we rely on the voucher.

Mr. FLEMING: You require a certificate as to identity by some magistrate or clergyman.

Mr. PICARD: A bank manager or anybody.

Mr. FLEMING: Is that found to be a sufficient protection against fraud?

The WITNESS: We rely on the vouching. In most cases it seems to be all right.

Mr. FLEMING: Have you had any trouble with cases such as Mr. Picard mentioned?

The WITNESS: What is that?

Mr. PICARD: A case similar to the one I have mentioned.

The WITNESS: No. They crop up now and again. They get in trouble eventually.

Mr. PICARD: Another hard thing is for the man in the office to check the name of the man who is vouching. Any justice of the peace or bank manager can vouch. You assume the man is responsible but he is not known by the clerk in the office. How could you check to see if James Smith, the justice of the peace, is really a justice of the peace at such a point.

Mr. FLEMING: The signature may not be legible.

The WITNESS: A justice of the peace would have a seal.

Mr. PICARD: I have seen many documents initialled by a notary who has not a seal.

The WITNESS: The manager of a bank will usually put the bank's stamp on it.

Mr. PICARD: They must have taken my signature at its face value, because I sent some and I have no seal.

The WITNESS: Notaries usually have a seal, and the J.P.'s.

Mr. FRASER: Do you allow members of parliament to vouch?

The CHAIRMAN: Mr. Jackman, you were speaking of a resolution. If in your resolution with regard to the distribution of passport application forms you limited it to cities or towns and municipalities of 3,000 or more, I believe we could do something by way of recommendation.

Mr. JACKMAN: It is better than it is now even if we limit it. I do not think it adds very much responsibility to the small postmaster, and if I were a postmaster I would be glad to take the work on.

Mr. FLEMING: You had better settle for 1,000.

Mr. BEAUDOIN: As regards small towns I do not think the postmasters are at all interested in having any further burdens added. As it was said, people may go to the post office to buy stamps but in our small municipalities if the people do not buy their stamps at the post office there is no other place to buy them.

The CHAIRMAN: As regards the localities in my section I think to add anything to the load on the postmasters would be unfair.

Mr. BEAUDOIN: If we have the assurance of the Postmaster General that their incomes will be increased if they distribute these forms that might be all right; I should like to see them get more money for what they are doing. But I do not think that would be the effect.

Mr. JACKMAN: I have a way to solve it; you could put a 10-cent stamp on the document and let the postmaster get the 10 cents.

Mr. WINKLER: If Mr. Jackman will change his figure to populations of 2,000 or more—

Mr. Low: Let us make it 1,000.

Mr. MacINNIS: Let us draw the attention of the department to the matter; ultimately they will do what they think is proper anyway.

The CHAIRMAN: We can leave it as a recommendation. Is that satisfactory to you, Mr. Jackman?

Mr. FLEMING: What will that do with the motion? I think there should be other offices besides the post offices included in this motion.

Mr. PICARD: It might be left in the form that the Department of External Affairs could ask other departments to co-operate to assure a fair distribution of these forms.

Mr. FRASER: I think if Mr. Cooper's department would notify the C.P.R. and the C.N.R. that they can have these forms that would help a great deal.

The WITNESS: That is what we do. We distribute these forms to the railways because people go to the stations to get their tickets.

Mr. FLEMING: Is it not an amazing thing that in the main post office of the city of Toronto and in the dominion government building at No. 1 Front Street they could not tell an applicant last Saturday morning where in the city of Toronto he could get a passport application?

Mr. FRASER: You should come to Peterboro because our postmaster knows all about that.

The committee adjourned to meet again at the call of the Chair.

Canada External Affairs, Thursday
Ottawa, 1946

Government
Publications

(SESSION 1946)
(HOUSE OF COMMONS)

(STANDING COMMITTEE)

(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, JUNE 13, 1946

WITNESS:

Mr. A. L. Jolliffe, Director of Immigration, Department of Mines and Resources.

OTTAWA
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1946

continent. Alien immigrants coming from other parts of the world are required to have visas from Canadian immigration officers if they are available, or from a Canadian diplomatic officer, or failing that, from a British diplomatic or consular officer. The alien non-immigrant from other countries than from the continent of Europe simply requires the passport and not the visa.

That briefly describes the passport regulation. I have brought a number of copies with me, Mr. Chairman, for the use of the members.

Copy

P.C. 3016

PRIVY COUNCIL CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

TUESDAY, the 29th day of November, 1938

(As amended by P.C. 2070 dated the 28th day of May, 1946.)

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

His Excellency the Governor General in Council, on the recommendation of the Minister of Mines and Resources and under the authority of Section 37 of the Immigration Act, Chapter 93, R.S.C., 1927, is pleased to rescind and doth hereby rescind the regulation established by Order in Council P.C. 185 of the 31st January, 1923, as amended by Orders in Council P.C. 612 of the 3rd April, 1930, and P.C. 82 of the 15th January, 1931.

His Excellency in Council, on the same recommendation and under the above cited authority, is further pleased to make the following regulation and it is hereby made and established accordingly:—

On and after the 29th November, 1938, every person seeking to enter or land in Canada, shall be in possession of an unexpired passport, issued by the Government of the Country of which such person is a subject or citizen: Provided:—

1. That this regulation shall not apply to:—

- (a) Those specifically exempted in Section 37 of the Immigration Act;
- (b) British subjects landing in Canada directly or indirectly from Great Britain or Northern Ireland, the Irish Free State, Newfoundland, New Zealand, Australia, the Union of South Africa, or the United States of America, nor shall it apply to United States citizens. The term "British Subject" within the meaning of this clause, includes only persons born or naturalized in Canada, Great Britain or Northern Ireland, the Irish Free State, Newfoundland, New Zealand, Australia, or the Union of South Africa.

2. That the passport of every alien sailing directly or indirectly from Europe, shall carry the visa of a Canadian Immigration officer stationed in Europe.

3. That the passport of every alien immigrant not included in No. 2 of this regulation, shall carry the visa of British Diplomatic or Consular Officer or of a Canadian Diplomatic Officer in the country of issue, as may be required by the Minister of Mines and Resources.

4. That a travel document establishing the identity of the holder may be accepted in lieu of a passport in the case of an immigrant who has been displaced from his country of origin as the result of the war and who is not in possession of a valid passport.

By Mr. Graydon:

Q. May I ask Mr. Jolliffe this question? Mr. Jolliffe, you mentioned that failing a Canadian immigration officer or a Canadian consular service, such service not being available at the particular point where the alien from Europe was making application to have his passport or visa, the British consular service takes over. You can use the British consular service, as I understand it?—A. Yes.

Q. Now that we have launched out on this new venture of Canadian citizenship, what is the position with respect to the British consular service so far as Canadians are concerned? Is there any change?—A. The Canadian does not require a passport nor does he require any visa; the Canadian is in one of the exempt classes under the order in council. In other words, a Canadian coming into Canada does not require a passport as a condition of admission; he comes in as a matter of right.

By Mr. Fraser:

Q. That is after he has proven that he is a Canadian; what proof does he have to have?—A. Well, he has to satisfy the immigration officer at the port of entry that he is a Canadian. He usually has a passport if he leaves Canada to travel because he cannot get into most countries without a passport—probably all countries other than British countries, except the United States—so that coming from overseas the Canadian usually has a passport with him and that is one of the documents that would establish his citizenship. He might also produce his birth certificate. He might have no documents with him, but his examination by the officer at the port of entry would usually satisfy the officer that he is a Canadian.

By Mr. Jaenicke:

Q. You did not answer the question asked by Mr. Graydon. I think he referred to passports issued by a foreign power to be visaed by Canadian consular officers, and you stated that the British consular officer would do just as well. Is that right?—A. I said that in countries other than European countries the regulation require the visa by either a Canadian consular officer, or a British one, if there is no Canadian officer there. Now, as far as the continent of Europe is concerned, the regulations say a Canadian immigration officer.

By Mr. Graydon:

Q. The point I was making had broader aspects than this particular matter before us. It has always been a matter of some concern to me what happens with respect to our service by British consular officials when we adopt a Canadian nationality, whether we will have to make new arrangements with the British consular service all over the world; because until the Canadian Nationality Act was passed, we were British subjects in Canada and nothing else. That, of course, gave the right to British subjects, whether in Canada, the United Kingdom, or Australia—no matter where it might be—to use the British consular officers all over the world. Now, we have established Canadian nationality. What happens in the places where the Canadian consular services are not available? It seems to me we are in a little different position than we were before, and I was wondering whether that would have any particular effect on this particular position in which you find yourself?—A. I think not, Mr.

Graydon; because from an immigration point of view there is no question raised with regard to a passport or a visa. The Canadian does not require them, so that is really beyond the jurisdiction of the immigration service.

Q. I quite appreciate that; but I wanted to raise that point because I think it is something that is in many people's minds.

Mr. LEGER: Is a Canadian not also a British subject under the Naturalization Act?

Mr. GRAYDON: I have raised that question with two or three well known students of constitutional law, and they have grave doubts as to whether we can simply pass a new Nationality Act and at the same time, by putting in a clause saying that a Canadian citizen is a British subject, still use that single sentence to give us the rights we formerly enjoyed with British consular service agencies all over the world.

Mr. JAENICKE: It is my opinion that under the new law anyone who is a Canadian citizen now is a British subject because we became such under British law; but we have abolished the British law under the new Act, and it is my opinion that an alien who now becomes a Canadian subject is not a British subject outside of Canada.

Mr. FRASER: Mr. Chairman, I think that Mr. Read when he addressed us on the subject of the Extradition Treaty last year gave us an opinion on that matter.

The CHAIRMAN: Yes, there were opinions given on that matter.

Mr. FRASER: He said, if I remember well, that the Canadian government might have to make different arrangements with the British consuls. I think you will find that in the minutes last year dealing with the Extradition Treaty.

Mr. GRAYDON: When we talk about all the rules we make with regard to Canadian nationality, we must not forget that sometimes it is a pretty costly business if we have to put consular services to take the place of British consular services all over the world, and that is one of the things that is sometimes forgotten in the general picture.

By Mr. Fraser:

Q. Mr. Jolliffe, a number of countries require that fingerprints be taken before they give a visa; why does not Canada ask for fingerprints?—A. I do not know, Mr. Fraser; we have never asked for fingerprints. Purely from an immigration point of view, the passport in itself is a sufficient means of identification. It has the man's photograph on it; it has his signature on it, and we have never run into any difficulties. I am speaking purely from an immigration point of view on the matter of identification.

The CHAIRMAN: Why the necessity for an alien to have a passport and a visa?

The WITNESS: The visa is required in order to prevent hardship to people who are coming to Canada from a long distance. The requirement of the visa means that the person who is applying is examined reasonably close to the place he originally comes from. In other words, if he is coming, let us say, from Lyons in France, he has the privilege of getting his examination before he embarks so that he has reasonable grounds of knowing he is going to be admitted to Canada when he comes to the Canadian port of entry.

Prior to 1922 many people arrived at Canadian ports on trans-Atlantic vessels and it was found they were not admissible under the law, which meant that they were required to return to the country they came from, and that was a very expensive business. Now, the granting of the visa following an examination means that the person applying establishes his bona fides before he sails.

By Mr. Fraser:

Q. Does the person who gets that visa have to pass a health test at the same time?—A. They do so far as Europe is concerned. We have, under normal conditions, civil inspectional officers and medical inspectional officers at certain places on the continent, and the applicants pass civil and medical examinations there.

Q. And with regard to those medical examinations, do they x-ray them?—A. No.

Q. Do you not think it would be wise to have those people x-rayed? I ask that question for the reason that prior to 1931 and 1932 there were a great number of people admitted to Canada who had T.B., and they were eventually dumped into our hospitals throughout Canada and we had to look after them.—A. Mr. Chairman, I do not know whether a layman's opinion would be very valuable on that point. There is this about it, that I think it would be very difficult to require every person coming to Canada, say from Europe, to submit himself to an x-ray examination as a condition of his admission to Canada. I might say, however, that the medical officers who are assigned to this particular work are, perhaps I should say, specially trained to detect the diseases that would be dangerous to Canadian public health. The examiners frequently do require an immigrant to produce additional evidence such as an x-ray examination if the officers are suspicious that there is tuberculosis. They also will require other tests such as the Wasserman test if there is any suspicion of the existence of a social disease; and in those cases the decision is deferred until the evidence is produced; but it is not a condition of entry that a man must produce the x-ray. I would say, speaking generally, that the medical examination is pretty successful, because the number of persons who come under the immigration Act with regard to deportation proceedings on the basis of these diseases discovered within five years from the time of entry, which is the period of domicile, is really remarkably small.

Now, that condition may not have existed prior to these medical examinations overseas. Medical examinations at the port of entry simply cannot be as thorough as they are on the other side where there is more time for making an examination; but I can say that immigrants are very thoroughly examined before the visa is granted.

By Mr. Graydon:

Q. Are our requirements for a person coming from the United States of America to Canada as strict with respect to examination as in the case of a person going from Canada to the United States?—A. Mr. Chairman, the two laws are very different in principle. The United States immigration law is based on a quota system, remembering that the quota does not apply to natives of the American continents.

Mr. JAENICKE: Natural-born Canadians.

The WITNESS: Yes. A Canadian applying for permanent admission to the United States has to get what is called a non-quota visa. Now, we have no such thing as a passport requiring a visa for Americans coming from the United States. So in that regard there is the requirement of a passport for a person going to the United States and not for an American coming to Canada. So far as the ordinary immigration procedure of non-immigrants crossing the border is concerned it is very similar: an American coming into Canada as a visitor simply satisfies the officer at the point of entry that he is an American citizen, that he is coming for a visit, and that he has sufficient funds.

By Mr. Graydon:

Q. I am speaking of those who intend to make a permanent residence in one country or the other?—A. The immigration law requires that American

citizens establish good health, good character, and that they have sufficient funds to maintain themselves until they are established in Canada. The Canadian going to the United States, as I said, has to get a visa, if he is going for permanent residence. There is a requirement in both countries that contract labour is prohibited. For instance, an American coming to Canada for employment under contract is a prohibited person and he would be rejected at the border unless it was established by previous investigation that the class of labour required was not available in Canada; the regulation can then be waived. The United States law is, I think, almost identical; it is very similar in any event.

Q. Now, Mr. Jolliffe, the point I wanted to make was this: under the American immigration regulations the requirements which have to be complied with before a visa is granted include a certificate from some authority here that no crime has been committed by the person entering the United States. Have we got a similar provision in our law with respect to American citizens coming to Canada?—A. No.

Q. At our last meeting I brought to the attention of the committee a case of the grossest kind of injustice to a Canadian citizen of which I have heard for some time. I am not blaming any of the officials of the American service here in Canada because they have been very courteous and kind and have done everything they could; but the regulations of the United States prevent a certain Canadian citizen in the Toronto area at this moment from entering the United States on very important business because in 1928 three schoolboys, including himself, removed a radiator cap from an automobile in western Canada, and for that reason a suspended sentence was given, and this man cannot go to the United States of America for that reason. Now, I was wondering whether such a regulation would prevent an American citizen from coming into Canada, and that is why I ask the question about the strictness of the regulations.—A. Mr. Chairman, there is a provision of the Canadian immigration law which says this:—

No immigrant, passenger, or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada shall be permitted to remain therein, who belongs to any of the following classes, hereinafter called "prohibited classes". . . .

And then follow (a) , (b) and (c).

(d) Persons who have been convicted of, or admit having committed, any crime involving moral turpitude.

Q. It does seem that you are drawing a pretty close line when you regard the loss of a radiator cap from an automobile as being evidence of moral turpitude and in that way stop a business man carrying on a business between Canada and the United States from going to the United States; and that is the point I had in mind concerning exaggerated circumstances such as the case I have mentioned; and it seems to me that if an American who wanted to come to Canada was stopped for that reason he ought to have some course of appeal to our immigration authorities who would have some discretion to allow such a man to come in by establishing the conditions upon which the conviction had been made and so on. So far as I have been able to find out, and this is backed up by the officials of the American government here, there is no way possible by which an appeal can be made, and the result is that the matter stands suspended in the air and a very grave injustice is being done to a citizen of Canada, one of our prominent business men. I think it is one of those things for which there should be a remedy somehow. It seems to me that it does not give the ordinary citizen much latitude.—A. There is a provision in the Canadian law for an appeal.

Q. By an American citizen?—A. By any person who is refused admission to Canada or who is ordered deported. There is a right of appeal to the minister, and the right of appeal is taken away from only one class, and that is where the person has been certified by the medical officer—for instance a person who is insane and there is a proper certification to such effect; that person is a prohibited person. If he is not a Canadian, or a legal resident of Canada there is no appeal. If you are interested I can read the section; which is pertinent.

Mr. LEGER: Is there a similar clause in the American Immigration Act?

By Mr. Graydon:

Q. One set of officials says yes and another set of officials says no, and the set who say no seem to have the say.—A. There certainly is a right of appeal in the American immigration law to the Secretary of Labour; whether that is restricted or not I am not competent to state.

Q. How can one get status to make that appeal? There seems to be no way by which we can do it; none of the American officials here can provide the means by which it can be done.—A. I am afraid I cannot answer that.

Q. No. I am only asking for such information as you may have because I realize that it is not a matter under your jurisdiction; but I am trying to use any means I can to rectify an injustice which I think is being done.

Mr. LEGER: Would that not be a matter for External Affairs to take regard of?

Mr. MACINNIS: Is not this a disability that cannot be rectified in the United States but is a disability that arises in Canada and not in the United States; therefore, would it not be better for us to have some law whereby a person of subsequent good character could have such a legal conviction removed? It is rather silly to have a conviction against a person for a very slight indiscretion when he was a child stand against him all his life. I do not think there is anything we can do with the American authorities; it is something that lies within our own jurisdiction.

Mr. Low: Our laws are supposed to be administered and interpreted by intelligent people. I think, probably, that is where the matter has its roots—in the mind of the justice of the peace, perhaps, who gave the sentence in the first place.

Mr. JAENICKE: I should like to ask Mr. Jolliffe a question on this order in council—

Mr. BENEDICKSON: First may I ask Mr. Jolliffe a question following on what he said with respect to border crossings between Canada and the United States for trips of a temporary duration; he thought the regulations were somewhat similar on both sides of the border. My information is that the regulations are not similar, and since the war Canadians are becoming quite irritated. We have relaxed our requirements and our inspection of American visitors and have more or less restored our practice as it existed before the war, but the United States people are still embarrassing Canadians on entry into the United States and imposing regulations which cause expense to Canadians who are living on the border. I have made representations to the Department of External Affairs on this subject, hoping that it was something that could be dealt with in Washington through External Affairs. I feel that when we institute changes which make things easier for the Americans that they should take advantage of that act and remove inconveniences caused in that country to Canadians. Now, I am told that the Americans still require our Canadian citizens to go to the expense of having photographs taken and then having that photograph placed on a temporary border-crossing card. The Canadians who live on the border have occasion to cross regularly for entertainment or business or other purposes and they find this to be a condition that did not exist before the war, and they feel that the

inconvenience should be removed now because we are extending every courtesy to the Americans. I feel that either the Department of Immigration or the Department of External Affairs should try to relieve our Canadians of this expense, this annual expense, by making tactful representations to the United States authorities and by pointing out to them that we are freer in our practice. We wonder if they could not come back to the condition that existed prior to the war in their practice.

The CHAIRMAN: At our last meeting we had Mr. Cooper of the passport branch before us and he said it is not necessary to have a passport to go to the United States as a tourist. I believe I am right in interpreting his statement that way.

Mr. BENIDICKSON: I am speaking of a border-crossing card which involves for our Canadian citizens an annual expense of at least \$1, or whatever a photographer will charge. Speaking from personal experience, up to a few months ago, I may say that they placed no value on our national registration card. If one does not use a passport or a border-crossing card or a birth certificate the interrogation is certainly much more extensive than it was before the war. It causes delay which I think is particularly annoying to those who live near the border and cross frequently.

The CHAIRMAN: I repeat this is what Mr. Cooper said: "Their regulations, by the way, will permit entry without a passport if a person carries some other document such as a birth certificate, a baptismal certificate, certificate of naturalization. In some cases United States border officials accept a registration certificate. That is not general."

Mr. GRAYDON: Or an out-dated passport.

The CHAIRMAN: Or an out-dated passport. The American regulations have been relaxed, but according to Mr. Cooper a lot of people are still keeping their passports in proper order.

Mr. FRASER: Do you have to have a passport if you stay in the States over twenty-nine days?

The CHAIRMAN: Yes. This has to do with people going back and forth.

Mr. FRASER: But if a person is motoring to the States all he needs is a motor licence card.

The CHAIRMAN: There has been relaxation there.

Mr. BENIDICKSON: Does he say that the border-crossing card is no longer required? I am informed it still is required, and people living at Windsor and Fort Francis, in my district, and other places where there is a substantial number of Canadians crossing regularly, have to get these photographs. In that case they are not accepting birth certificates and such things.

The CHAIRMAN: Apparently, it must be a case of some American officials being overzealous.

Mr. Low: I was wondering if Mr. Benidickson is not referring to a card which is held permanently by a person on this side who wishes to use that card regularly for frequent visits. That may be necessary. The question I asked had to do with people who wanted to make a short visit.

The CHAIRMAN: Mr. Cooper said: "As far as the United States is concerned, travel is fairly open at the present time. However, we still get a large number of applications for passports to the United States due to the fact that people have got into the habit of getting them and find them handy, and they are probably easier to get than a birth certificate."

Mr. JAKUES: Two weeks ago I had occasion to spend a few days in the United States, and before I crossed over I went to the American legation here

on Wellington Street and asked them what I would need. They asked me how long I was going for and I said three or four days and they told me that I would need nothing.

The CHAIRMAN: That is the impression I received from Mr. Cooper at our last meeting; the regulations are much relaxed now with regard to simply going backward and forward.

By Mr. Jaenicke:

Q. May I revert to the order in council and ask Mr. Jolliffe about paragraph 4:—

That a travel document establishing the identity of the holder may be accepted in lieu of a passport in the case of an immigrant who has been displaced from his country of origin as the result of the war and who is not in possession of a valid passport.

Who issues such a travel document?—A. Well, it may be issued by any competent authority who could establish the identity of the person concerned.

Q. Even a foreign government?—A. Yes, even a foreign government.

By Mr. Winkler:

Q. In connection with thousands of foreign born Canadians—and this is a question growing out of the one asked by Mr. Jaenicke—there must be thousands of them in western Canada who wish to bring in close relatives. What is the position in regard to papers and requirements for those desiring to come here? You must be fairly well loaded down with applications at this time?—A. Yes, we are. I suppose you are referring to a resident of Canada who has relatives overseas.

Q. Yes, and who was born overseas himself and came here and became naturalized but now wishes to bring close relatives to this country from either a friendly or unfriendly country?—A. It makes no difference where the applicant comes from; the only requirement, as far as the applicant is concerned, is that he must be a legal resident of Canada and be in a position to receive and care for the relatives he is applying for.

By Mr. Benidickson:

Q. It does not make any difference whether he is naturalized or not?—A. No, sir.

Q. As long as his entry was legal?—A. As long as he is a legal resident of Canada.

By Mr. Fraser:

Q. After the application has been made, do you investigate to find out if those people have a suitable place to go to?—A. Yes, I was coming to that. I wanted to clear up that point. The question was raised of a person born overseas and applying for permission to bring relatives here. It does not make any difference where the applicant was born as long as he is a legal resident of Canada. The first step is for him to make application for the admission of the person he wishes to bring to Canada. That application is then investigated on this side. We investigate the status of the man who applies and whether he is in a position to receive and care for his dependents or the relative he is asking for.

By Mr. Graydon:

Q. According to a statement read in the House by the Minister of Mines and Resources a week or two ago, there is some restriction apparently placed upon the kind of relative you could bring in. Can a brother here, for instance, who is

a naturalized Canadian and who came from Poland or one of those countries in eastern Europe, make application to bring here, say, a married brother and his wife and family?—A. No. The regulations at the present time provide, on the basis of the relationship we are discussing for the moment, for a single son or daughter of any age, a mother, a father, a single brother, a single sister of any age, an orphaned nephew or niece under sixteen years of age. By orphan is meant a child who is bereft of both parents—not half an orphan, so to speak. These are the people who are admissible on the basis of relationship. Now, there are other people who are admissible; for instance, an agriculturalist coming to Canada with sufficient funds to farm in Canada. He is admissible. Outside of the question of relationship, the fiancée of a resident of Canada where the latter is in a position to marry and also able to maintain a wife when his fiancée becomes his wife, is also admissible.

MR. FRASER: I suppose you have had lots of these cases lately because of hostilities?

THE WITNESS: Yes.

MR. WINKLER: Is a farmer who is out of funds, due to the accident of war, or for any other reason, but whose solvency, if you can call it that, is guaranteed by a well established person in this country, and who wishes to come to Canada to farm—is he permitted to do so?

THE WITNESS: No, he does not come within the regulations.

By Mr. Graydon:

Q. As regards the fiancée, do you make any stipulation that within a certain time after she has come here the marriage must take place?—A. Yes, we do. She signs a declaration before she gets her visa that she will marry. Further than that we follow up the case.

Q. Suppose when she gets to Canada she changes her mind—that has happened in certain cases?—A. It has been said that a woman has a right to change her mind at any time.

Q. Except under the immigration law?—A. Yes, except under the immigration law. What might happen in a case like that would be this: if the woman arrived at a port of entry and agreed to marry and the next day said she would not—

Q. Perhaps she might leave it over for two or three weeks; what happens?—A. In the first place we satisfy ourselves that she is going to a home that will look after her until the marriage takes place. We do not simply say yes to a man who says, "I want to bring my fiancée to Canada and I have a million dollars and I can look after her;" we require to be assured that she is coming to a good home; in other words, she is coming where any respectable woman would come awaiting her marriage.

Q. Perhaps my question was not quite clear. Suppose she stayed at that home for a month and changed her mind and no marriage takes place, is she accepted here as a permanent resident of Canada or do you ask her to go back?—A. That woman would be subject to deportation proceedings for entry by misrepresentation.

By Mr. Leger:

Q. Mr. Jolliffe told us a little while ago that he would investigate the person in Canada. Does he also investigate the character of the person living in Europe before admission to Canada is granted?—A. We have no means of investigating character overseas.

Q. Now, Mr. Jolliffe, supposing that a brother in Canada who is of foreign birth, wishes his brother in Europe to come and live with him in Canada; and supposing his character or his record has been such that we would not want

him in Canada, do you investigate a case like that?—A. Mr. Chairman, if there is any suspicion of this man not being a desirable character we would have some investigation conducted.

Q. Have you no way of finding out by questioning?—A. Oh, yes, the man is questioned with regard to his record; whether he has a police record, whether he has a record of a serious illness; and if he has any such record, if he admits such a record then, of course, his case is deferred for further investigation, and there are means of establishing those facts.

Q. That is before he is admitted?—A. Before he would be granted his visa.

By Mr. Jaenicke:

Q. He would have to have a visa on his travel document as well; would he?—A. Before he can come to Canada he must have a visa.

Q. On the travel document?—A. Yes.

By Mr. Boucher:

Q. In that connection would you not have more difficulty in the case of a member of the Polish army in Italy who was not permitted to go back to his country by virtue of some change in the situation there and found himself without a country?—A. If he were admitted to Canada?

Q. Yes.—A. Yes, we would have difficulty in sending him back.

Q. Would we have difficulty in establishing them as fit and proper persons to come to Canada?

The CHAIRMAN: Did you answer?

The WITNESS: No, I did not.

By Mr. Winkler:

Q. Would his Polish papers be of any use?—A. Members of the Polish army are not admissable to Canada at present as such. If provision were made for their admission some arrangement would necessarily be required to be made to establish their readmissibility to some country; and as regards their standing, as you suggest their military paybook would certainly give their military record.

By Mr. Fraser:

Q. Mr. Jolliffe mentioned that Canada had no quota system; is that right?—A. That is correct.

Q. Are there any bans against different countries—immigrants coming into Canada from different countries?—A. There is a regulation which prohibits the admission of enemy aliens.

Q. And is that all? There is a quota against Chinese, is there not?—A. No, there is no quota against Chinese; there is the Chinese Immigration Act which restricts the admission of Chinese to certain classes.

Q. Are there restrictions against any other countries along that line?

Mr. LEGER: India, for instance?

The WITNESS: There is a regulation which relates to persons of Asiatic races, and it prohibits the landing of immigrants of Asiatic races with certain exceptions, and those exceptions are the wife or unmarried child under eighteen of a Canadian citizen legally admitted to residence in Canada if he is in a position to receive and care for his dependents. The regulation does not apply to any country with regard to which there is a special treaty or law or agreement.

By Mr. Fraser:

Q. What arrangements are made with regard to people who want to come here from South America or Central America? The reason I ask that question

is that some years ago German and Italian waiters in hotels in different South American countries went to those South American countries before going to the United States. The United States had a quota against them, but they said that if those people stayed in South America or Central America for a year or two years, whatever it was, then they could get into the United States; there would be no quota against them?—A. They could get into the United States?

Q. Yes, because they had become South Americans, and because of that they could enter the United States.—A. Mr. Chairman, I am not competent to answer with regard to American law, but I do not think that is correct, although I am subject to correction. I do not think that is right.

Q. That is the understanding I had at that time. They said they had been taken into some South American country and as soon as they stayed there for a certain length of time they could enter the United States without any quota?—A. I do not think that is correct.

By Mr. Knowles:

Q. Have you figures as to how many Chinese have come into Canada in the last twenty years?—A. We have them. I have not got them here.

Q. Perhaps I am asking a leading question because I know the question was asked in the House a few days ago and a return was tabled.—A. I can answer the question in a general way. I think there were approximately nine immigrants admitted since 1923.

By Mr. Jaques:

Q. Who would be included as enemy aliens—anybody from an enemy country?—A. Any citizen of an alien country.

Q. Any citizen from an alien country?—A. The regulation is that the entry into or landing in Canada of an enemy alien is prohibited. The order is not held to exclude persons coming within these described classes who satisfy the Minister of Mines and Resources that they were opposed to an enemy government.

By Mr. Boucher:

Q. Is there any provision whereby German prisoners of war now in Canada can elect to remain in Canada instead of being repatriated?—A. I do not think so. A German prisoner of war from an immigration point of view is a prohibited immigrant; he is an enemy alien.

By Mr. Jaques:

Q. Who would determine whether an enemy alien had been opposed to the enemy government?—A. The department.

Mr. WINKLER: Since the war is over and since Canada is not officially at war with any country would there be such a thing as an enemy alien?

The WITNESS: There is no peace treaty yet.

Mr. JAUQUES: Could Mr. Jolliffe say how many conscientious objectors were admitted to Canada under that provision during the war?

The CHAIRMAN: I do not suppose Mr. Jolliffe could answer that question. He did not expect to deal with statistics with respect to immigration.

The WITNESS: We have not any statistics classifying conscientious objectors.

Mr. JAUQUES: I would call conscientious objectors those people from another country who objected to the government of that country.

Mr. BENIDICKSON: A German?

Mr. JAUQUES: Yes.

Mr. BENIDICKSON: Who refused to fight.

Mr. JAKES: I do not say he refused to fight. He wants to be admitted here because as he said he was against the government of that country. The point I would like to make is this: how would you determine his position had Germany been winning? How can you determine whether the applicant for entry into Canada really was opposed to the government of his country; what proof can you adduce?

The WITNESS: I think it would be comparatively simple to establish the standing of an alien overseas as to his attitude during the war.

Mr. JAENICKE: All those opposed to the regime would have been put in concentration camps.

Mr. JAKES: My question is this: would such rebels be at liberty to come to Canada? They must have been actively opposed to their government, and how would they be at liberty to come to Canada?

Mr. BENIDICKSON: I think I have some evidence showing the number of people admitted to Canada during the war years who have been described by the word "refugees". Now, who were the principal scrutinizers of their citizenship? Was it the British or the Canadians? If it was the British, are they being allowed to remain? What is happening with respect to those refugees?

The WITNESS: All those refugees were screened before they were admitted to Canada.

Mr. JAKES: Were not most of them or all of them of one religion, a certain religion?

The WITNESS: No, they were not. They were members of various religious persuasions. There were a number of Polish citizens of Christian faith, there were a number of Czechoslovak citizens of Christian faith, there were some Belgians and some French citizens, there were some stateless people of Christian faith, and there were a number of persons of the Jewish faith.

Mr. LEGER: I think we took this matter up during the war and I believe it was understood then that they would be scrutinized very carefully, and they had to conform to certain regulations. If I remember well, they had to have a disc around their neck for identification, and they had to be identified by numbers which corresponded with their application.

The WITNESS: They were all examined overseas; they were all screened from a security point of view before they were granted their visas.

Mr. BENIDICKSON: Would you answer this question? We are told with respect to prisoners of war that we are more or less just trustees of the British government; that these people entered Canada as prisoners of the British government and that they came to Canada because it was easier to feed and house them here than in Britain and it would aggravate the food situation in Great Britain by keeping them there. Is there anything similar with respect to refugees or are all refugees here in Canada as the result of direct action on the part of the Canadian government and we are not in any way acting as trustees of the British government in the matter of providing a haven for them in Canada during the war years?

The WITNESS: With the exception of one particular party most of the refugees were originally admitted to Canada for the duration of the war. Provision was subsequently made for the permanent admission of those who were of good character and established themselves. There was one party that was not admitted in exactly that manner, and they are usually described as civilian internees. There was a movement, I think about 1940—

Mr. MACINNIS: Following the fall of France?

The WITNESS: Yes, —when there was an invasion of Britain expected—there was a movement of, I think, approximately two thousand of those refugees,

those internees who had been taken into custody by the British government for safety purposes. Twenty-five hundred of them were brought to Canada for care in this country and they were put into camps. Later, approximately nine hundred of these—I think it was nine hundred and fifty—were granted temporary release in Canada—most of them going into various occupations—a large number of them in occupations connected with our war effort. They were in Canada under a special permit, and were required at first to remain in the special occupation they were assigned to when released from the camps. They were all screened. Every case was examined by the British and the Canadian authorities before release was authorized.

Mr. MacINNIS: Did the British government send an official over here—a Mr. Patterson?

The WITNESS: Correct.

By Mr. Benidickson:

Q. Have any of those been given an entry permit similar to that given an immigrant?—A. A number of these have applied for permanent admission to Canada; they have not been treated differently from the other refugees.

Q. There is a big difference in their political background, is there not? The refugee is anyone abandoned by an enemy government whereas a civilian internee would be a suspected collaborator with an enemy government?—A. No, as a matter of fact, these were in exactly the same class as those who had come as straight refugees. They were refugees who got into the United Kingdom from Germany. I believe that they happened to be residing in those territories where it was necessary to clear out all aliens, and they were put into camps.

Mr. BOUCHER: What number of the twenty-five hundred have been granted permanent status?

The WITNESS: Nine hundred and fifty of them were released temporarily in Canada, the others were sent back eventually. Of the nine hundred and fifty—I cannot give you accurate figures—but I would say that six or seven hundred of them have applied for permanent admission to Canada and that admission has been granted.

By Mr. Fraser:

Q. I would like to ask Mr. Jolliffe if he knows how many applications for entry into Canada were made at Canada House in London?—A. From British people?

Q. Yes.—A. I really do not know; a large number. We do not keep a statistical record of applications received. It is almost impossible to do that.

Q. The reason I asked that question is that I noticed in the Australian News that they had one hundred thousand at Australia House, and I wondered how many Canada had?—A. The applications, so far as Canada is concerned, are not filed only at Canada House, but there are thousands of them filed in Canada—applications for admission of relatives.

Q. I have another question to ask with regard to entry into Canada. During the last few months you have had ex-service men wishing to bring into Canada their fiancées who, perhaps, have affixed to their names Mrs. or Miss—they might be divorced or separated—now, do you investigate those cases?—A. Yes.

Q. You check to make sure that they are properly divorced or separated?—A. Yes.

Mr. JACQUES: Could we have the number of immigrants received during the war?

The CHAIRMAN: That information had better come from the House.

Mr. JAKES: I mean from enemy countries, with the breakdown as to races and religions.

The CHAIRMAN: Would you repeat your question?

Mr. JAKES: Could we have the total number of immigrants or entrants into Canada during the war from enemy countries—people who originate in enemy countries—they may not have come direct from those countries; and a breakdown as to race and religion?

The CHAIRMAN: I assume that question would be more in order when the estimates of the Department of Immigration are before the committee of the whole House, because I do not believe we could require Mr. Jolliffe to speak on this question of immigration, unless Mr. Jolliffe cares to go into it.

The WITNESS: I have not any statistics.

Mr. KNOWLES: This question is on a lighter level, but I think it has some importance. I have crossed the border between here and the United States many times and I have had the experience I will refer to in a moment, but this last winter, along with Mr. Winkler and Mr. Graydon and others I had the privilege of spending some time in Great Britain, and I think one of the things I shall never forget is that when we arrived on the other side of the Atlantic at Prestwick airport, the first thing we did was not to line up and have questions fired at us making us feel like suspected characters, but the first thing the officials did over there was to give us a cup of tea, and it was not until after that that they put us through the controls.

Mr. BENIDICKSON: Was the tea supplied by the government or the transportation company?

Mr. KNOWLES: I do not know. It was before we went into the room to be examined for our currency and other things. I had also the experience of coming back to the United Kingdom from the continent, and although I did not have tea given to me at that time, still there was that same friendly atmosphere, as though the officials were glad to see me. We had the same experience on the continent. There was only one place where we experienced any difficulty in crossing the line and that was when we crossed from the British into the Soviet zone in Germany, and I can counteract that by saying that when I later landed in Moscow the reception again was very friendly on the part of the officials.

Mr. LEGER: Did you get tea?

Mr. KNOWLES: No, nor vodka either. It just amounts to this, that when I finally landed at Dorval airport it happened that the person ahead of me was the moderator of the United Church of Canada, and I was rather amazed at the gruelling questions that were put to him, and as I came along I realized that I was only a member of parliament and that I only had a diplomatic passport, but I was grilled with the same questions and treated in a more vicious manner than I was in all my travels. I have had the same experience crossing the line between the United States and Canada; it worked both ways. It is a vicious attitude. I do not want any letdown in the system, but it seems to me there is a good deal to be said for the friendly and courteous manner in which the immigration and other authorities receives a person when he enters into the United Kingdom. It left a strong impression on me. I do not know what experiences Mr. Winkler had, we did not land together; but the treatment made a strong impression on me, and I think there is something to be said for instilling a little more friendly attitude into our immigration practice.

The CHAIRMAN: A little smile once in a while.

Mr. KNOWLES: Yes.

The WITNESS: I am sorry to hear that statement. Our officers have definite instructions that they are to be courteous and helpful to the travelling public. I may say that very frequently we receive letters of commendation from travellers as to the friendly and courteous attitude of our inspection service. I am sorry to hear that some difficulty was experienced. I suppose in any service staffed by hundreds of men one is not going to get perfection, although we always hope to get it and expect it. Our officers, of course, have a duty to perform; they have to establish the admissibility of the person appearing before them; and the only way they can establish it is by questioning that person. A lot depends, of course, on the officer's intelligence. He should be able to establish, with a few well chosen questions, the admissibility of a returning Canadian. Some people the inspector naturally has to ask more questions of because of the manner in which his original questions are answered; but irrespective of how many questions he has to ask he certainly is expected to be courteous and to try to be helpful.

Mr. KNOWLES: I have no objection to the questions. I thought some of them were rather silly and unnecessary. I had a passport with stamps to burn on it and "diplomatic" written across the top of it. It was the vicious attitude which impressed me—the difference in the reception we received at the opposite ends of our journey.

The WITNESS: Was that at Dorval?

Mr. KNOWLES: Yes.

The WITNESS: When was that?

Mr. KNOWLES: The end of February. We had the same experience crossing at Niagara Falls. I think that is the worst place in the country—both as regards American and Canadian methods.

The CHAIRMAN: Mr. Jolliffe, have you full control of the visas issued in Europe? Have you sufficient staff in your department to control the visa matter?

The WITNESS: From an immigration point of view, yes. The inspectional service has not been resumed on the continent. As you will remember, the minister in his statement in the House said that that service will be reestablished there just as quickly as it is possible to do so.

The CHAIRMAN: On behalf of the committee I wish to thank Mr. Jolliffe for coming here today and giving us so much information. Mr. Hemsley will be here on Tuesday. I should like to get further information about the revenue of the passport department, a subject which was introduced by Mr. Cooper at our last meeting.

The committee adjourned to meet on Tuesday, June 18, at 11.30 o'clock a.m.

Canada External Affairs, *Parliament*
June 18, 1946
(SESSION 1946)
(HOUSE OF COMMONS)
Government Publications
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(STANDING COMMITTEE)
(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, JUNE 18, 1946

WITNESSES:

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs.
Mr. W. Measures, Protocol Officer and S. D. Hemsley, Administrative Officer, External Affairs Department.

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1946



MINUTES OF PROCEEDINGS

TUESDAY, June 18, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Present: Messrs. Boucher, Bradette, Breithaupt, Côté (*Matapedia-Matane*), Fraser, Graydon, Jackman, Jaenicke, MacInnis, MacLean and Sinclair (*Ontario*).

In attendance: Messrs. H. H. Wrong, W. H. Measures, S. D. Hemsley.

The Committee resumed its consideration of External Affairs estimates as referred.

Mr. H. H. Wrong was recalled and made a statement on votes 46 and 44, being a grant to United Nations in Canada and provision for hospitality to visitors from abroad respectively. Mr. Wrong retired.

Mr. W. H. Measures was called. He supplied answers with respect to vote 44 and was retired.

Mr. S. D. Hemsley was recalled. He gave additional statistical information pertaining to votes 42 and 45.

On a question of Mr. Côté relating to the selection of Canadian personnel for the United Nations Society, Mr. Wrong stated that arrangements are under way for the appointment of a Committee which will receive applications for employment with the United Nations Organization.

At one o'clock the Committee adjourned until Friday, June 21, at 11.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 18, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we are ready to proceed. I have been requested to call our first meeting of the week on another day than Tuesday, and I want to be as accommodating as possible. We do not wish to interfere with other committees, but I remember Mr. Graydon's remark that we must be masters of our own souls. I wonder if a meeting on Monday would be possible?

Mr. JACKMAN: Monday is all right for me.

Mr. MACINNIS: It is all right except for the Montreal and Toronto people.

The CHAIRMAN: Very well, gentlemen, we will meet next Monday at 11.30 o'clock for our first meeting of that week.

Now, we have Mr. Hume Wrong with us this morning and he is going to elaborate on certain matters which have been argued before our committee. He is accompanied by Mr. Measures and Mr. Hemsley.

Mr. H. H. Wrong, Associate Under Secretary of State for External Affairs, recalled:

The WITNESS: Mr. Chairman, I think it might be useful if I said a little about vote 46, "grant to United Nations Society in Canada (formerly League of Nations Society in Canada)." I understand that the secretary of the United Nations Society is going to appear before this committee later on, and I thought that possibly in addition to what he might have to say, a few words from me in explanation of the grant by the department might be useful; and with Mr. Measures' assistance I should like to say a word or two about vote 44, the hospitality vote. With regard to the grant to the United Nations Society, this is quite a long-standing government grant. I am not quite sure in what year it was started, but it has been going on for a long time, originally through the League of Nations Society which changed its name last year to the United Nations Society, for obvious reasons. The original purpose of the grant was to provide funds whereby the League of Nations Society could purchase in bulk publications of the League of Nations for distribution to members of parliament and to the general public, but primarily, I think, to members of parliament. That particular qualification was not attached to the vote during the war years, and the grant was turned, really, into a general grant in aid for the purposes of the society. It has not been put in the estimates this year—that it is for the purpose of the distribution of publications—because the United Nations Organization is still in the process of development, and therefore it is desirable to have a general formula. I think I mentioned when I appeared before the committee on a former occasion, Mr. Chairman, that we in the department were getting a little concerned over the difficulties of seeing that the general public were adequately informed of what the various important agencies of the United Nations were doing, and the United Nations Society is a considerable factor in public education in this field, and my own view is that this small sum will enable them to carry on their work without the financial anxieties which they would have if they did not get this sum, which is in the public interest.

That is all I wish to say on that score. I do not know whether any member of the committee wishes to ask any questions before I speak about the other vote?

By Mr. Graydon:

Q. I do not know whether I am regarded as one having a personal interest in the United Nations Society, but I think I am an honorary vice-president of the organization, and probably I should declare my interest in the matter before the discussion goes any farther so that a proper value would be placed upon any views of mine which I may care to advance with regard to the matter. I take it from what you say, Mr. Wrong, that it does perform a useful function with respect to publicity and education and information generally in connection with world affairs, and for that reason I take it that the department's view is that it is of considerable help from the standpoint of the department itself?—A. I think so, yes. The secretary of the society can give you further information first-hand about exactly what the scope of its current activities and plans for future development may be, but certainly I feel that we should not rely for the distribution of information solely on Canadian government agencies or on the United Nations official publicity agents, themselves, and that a society made up of members who must be interested in the work of the United Nations, with branches all over Canada, should be of very considerable long-run assistance in explaining what is going on and in maintaining public support and interest in the work.

Q. It seems to me that this is rather in the nature of an economy vote in a sense, because if one tallies up or compares and contrasts the vote of \$3,000 for publicity by the Department of External Affairs—or shall I say a grant to the Department of External Affairs—with \$518,000 which we were speaking about in the House last night for health and welfare, it does seem that this is a rather economical way of handling government information, and we might conceivably be setting a sterling example to some other departments of the government. However, that is a matter on which I would not expect Mr. Wrong even to pass an unofficial view at the moment.

By Mr. Boucher:

Q. Has any effort been made to have the grant increased?—A. Not that I am aware of. I think when the main estimates were prepared we were rather uncertain about the program, and it was agreed to put in what had become almost an historical figure, \$3,000, simply continuing the grant which has been made for the last fifteen years at least.

Q. It seems to me that if the League of Nations or the United Nations Society has any justification in Canada it has justification for more support than a mere \$3,000 for the propagation of literature.

MR. MACINNIS: This is a United Nations Society, it is not a department of the government; but if it is felt that it is useful, the proper thing to do is to put a little of our own money in it and become members of the organization.

By Mr. Fraser:

Q. Does not this society sell literature? I believe the League of Nations Society did; they sent out literature and you paid 10 cents a copy, or something like that.—A. The United Nations Organization itself will, I am sure, when it gets its publication program underway, provide for the sale through commercial channels of certain material, as the League did of its publications. The purpose of the original grant—and I think it is a purpose which is sufficiently governmental in character, although I can also agree with Mr. MacInnis' suggestion—is to facilitate and encourage distribution of those publications, and I think quite possibly it would be desirable, when we know a little more about what is going

to go out from the United Nations Organization, to limit the grant to a grant in aid for the purchase and distribution of publications rather than a general grant in aid for particular or current expenses of the society.

Mr. GRAYDON: When we hear of the tentative program concerning the reorganization of the organization, because that is what it largely is, I understand, then I fancy this committee and the government would be in a much better position to say, after that review, whether this grant should be increased. From what I know of the organization in the short time in which I have been identified with it, it has a pretty comprehensive, and I think rather valuable, program outlined for the future, and it will depend upon whether the money is well spent or not well spent; and if the program looks like one which the government and parliament can give more money to, then I think we should not be niggardly in our approach to the subject; but I think it entirely depends upon what value each dollar has in respect to the work of the organization and the public interest generally.

Mr. MACINNIS: Mr. Chairman, I wish it to be understood that I am not opposing this grant at all. I think the United Nations Society can do good work as the League of Nations Society did during its term. If it does not perform any other function than to stimulate interest in foreign affairs it would justify itself. Therefore, I am not opposing a grant which I consider worth while.

Mr. GRAYDON: I fancy that no one will oppose a grant so small as this one.

By Mr. Boucher:

Q. I think, Mr. Wrong, that you are definitely of the opinion that the grant should be limited along the lines stated here?—A. I would not like to be regarded as stating that I am of that definite opinion, but I think it is a useful activity for the United Nations Society, and I think it might be considered as a first charge on any funds the government made available by way of grants to facilitate the distribution of literature.

By Mr. Cote:

Q. Is that amount of \$3,000 sufficient for the mere distribution of propaganda or literature at this particular time?—A. I do not think, Mr. Chairman, that that question can be answered exactly at present until we know more about what in the way of publications available for distribution would be coming out of the various organizations of the United Nations. It might be.

Q. I realize, for instance, that the American Academy of Social and Political Science as well as the Canadian Institute of International Affairs, among other organizations, are distributing right now to their members a great deal of literature. Now, I admit that that is very useful for their members, but I think that generally more people should receive this literature. I believe it is the duty of every government which is searching for peace and looking forward to a better world to at least make its own contribution, and I suggest that with \$3,000 you cannot go very far even in the way of distributing. I do not mean publishing, just distributing. I do not think we can get very far in the way of putting a message across in this country except in the case of these people who belong to these various organizations. I suggest that there should be a larger sum of money voted; whether it will be disposed of or not I do not know; but it should be there to dispose of in case of some eventuality in the coming year for distributing throughout Canada all the literature which pertains to these world-wide subjects.

Mr. GRAYDON: With regard to the question of publicity of the United Nations Organization, may I be permitted to say a word which may be the product of a short experience, but an experience nevertheless, and that is that the average member of the public does not, perhaps, digest or has not the time

to digest, the technical end of the United Nations work; the reports, for instance, of the United Nations Organization itself. I have never found the public which I represent take a great interest in the actual technical points, and there is so much in this United Nations matter that is technical, as Mr. Wrong knows. What I did find after I came home from San Francisco and London, when I was speaking at various places on invitation, was that the public were interested in personalities and human interest stories that came out of the conferences. They seemed to be keenly interested in that sort of thing. They seemed to find it more easy to understand what we were doing when we stressed the human interest proceedings that took place and the various personalities who took part in the gatherings; I am not underestimating or underrating the importance of the technical end, but I want to make my point clear that I believe the two have to go hand in hand. I believe we make a mistake in throwing to the general public, particularly those who are not special students of international affairs—and we have not so many really keen students of international affairs in Canada for the obvious reason that we have not been in the international field in a big way for a great length of time—but I believe we make a mistake in throwing out to the general public too much concerning the technical nature of the United Nations, and I think that hand in hand with the technical information that goes out must also go out to the general public some of the human interest stories and some of the information about personalities who took part in the conferences; because, frankly, I got more out of the meetings and the conferring and the general companionship which I was privileged to enjoy in an international way than I did out of the dry bones of the charter or the committee work. I throw that out as a suggestion; it may be that I will not have full agreement, but the suggestion comes as a product of my experience.

Mr. COTE: I am sorry I have to disagree with my friend. I do not pretend to be an expert on these matters, but I really cannot accept the principle advanced by my good friend that we should not give to the public the things that the public are not asking for. Personally, I am not an enthusiast about indoctrinization, but I will always stand as a real propagandist of information. Now, there is a problem which we have to face concerning publications. Nearly every day we hear over the radio discussions at public forums, talks, and what not, on international affairs, and the people who represent a cross-section of our population are listening. What remains in minds may be a matter of question, because they have not got the time to study what they hear; but we should supply them with the right kind of propaganda for their reading. I am suggesting this without mentioning any countries, but we should learn our lessons; we should have learned our lesson at least during the last war and also since then; but I believe that if we are to do our share in world organization, even with regard to Canada itself, we should have money for that purpose at the disposal of the government to help in that direction. I say this, that a grant of \$3,000 for propaganda and things of that nature, is a trivial amount, even for the purpose of cooperating with others. If we look at the money being spent by various countries in the world today for the mere matter of putting their countries on the map, I say this presents an appalling picture. I do not think that Canada, being what she is today, can really subscribe, as she should, to a world organization, to make a world organization what it should be, unless we make everybody conscious of what the situation is. Somebody has said that peace is the business of everybody, so we have to make everybody conscious of the situation first; and we may reach our aim.

Mr. BOUCHER: Mr. Chairman, I feel that this vote is a very small one, but, as Mr. Wrong stated, it is only the preliminary stage. We have not been asked for any more. I think we should defer our discussion until we hear from the United Nations Society and learn what the prospects are.

Mr. MACINNIS: I think most of us will agree with Mr. Coté, but this is not a department of government; this is merely a grant to a private institution or organization which we believe is doing a work which justifies a certain amount of governmental assistance. If the government is to carry on an educational campaign, that is an altogether different matter, and we should supply funds for such work if that is desirable. I would agree with my friend that it is desirable.

Mr. COTE: I have suggested several things, and I should like to ask whether the committee will subscribe to the idea of merely making an expenditure of \$3,000 as a contribution or should the committee suggest to the government a larger amount so as to make a larger contribution.

The WITNESS: May I say a word? Perhaps there is a bit of an argument arising out of Mr. Coté's suggestion. There was a great deal of confusion in Canada and other countries concerning the old League of Nations Society—the League of Nations Union as it was called in a number of countries—as to whether it was or was not an official body. I think it is desirable that there should be no misunderstanding that the United Nations Society is an unofficial agency of the same general character as the Canadian Institute of International Affairs and other such bodies. It has no monopoly as regards private publicity or propaganda about the work of the United Nations. The Institute of International Affairs appeals to partly the same but largely to a different audience and has a very valuable function to perform in this particular area, and the United Nations Organization itself is building up a large information division which will make, no doubt quite possibly, arrangements for direct distribution of certain official statements that come out from there.

Mr. GRAYDON: I hope I am not interrupting your train of thought, but if my recollection is correct there was considerable discussion at the assembly or in some of the committees with respect to the type of publicity and information which would come directly from the United Nations Organization.

Mr. COTE: U.N.E.S.C.O. or U.N.O.?

Mr. GRAYDON: U.N.O. Perhaps you can recall that? Now, I may have left before the final decision was made and I am not sure of what the final outcome was, but I remember that Mr. Andrews of the Canadian Information Service and others were working on the matter, and I think the discussion centred on whether or not the United Nations should provide the information facilities for the whole field or whether it should be channelled into the individual information services of the various countries. There was quite a long discussion on that particular point. Perhaps that might meet, in some respects, the vigorous championship which Mr. Coté has so properly pressed before our meeting today.

The WITNESS: I believe that they have set up under the secretary general eight assistant secretaries general, one of whom is charged with the supervision of the information department of the United Nations. Actually, how that will operate nobody can say yet because it is in the process of organization, but I feel that it would be very desirable to have its operations in the field, at any rate, of what you might call direct propaganda closely related to that which will be conducted through U.N.E.S.C.O. and other international bodies which will be affiliated with the United Nations. The old League did take great pains to provide—not so much directly to the consumer in the way of documents and so on, but indirectly through the press and through the radio—information for general public consumption. Indeed they owned their own radio station in Geneva. It was used for short-wave broadcasts as well as for distribution of radio material to be picked up in other countries as regards League activities. I think a good deal is almost certain to be done on that same pattern. That is, they will see that the press is adequately informed in the way of suggested

material, that the radio audience also has the necessary material provided to the various radio stations for delivery. So it is very hard, I think, at the present time, to indicate actually what role a private organization such as the United Nations Society will fill in the whole picture. It is something to be encouraged; but how important it will be in dealing with the general problem of distributing to the public information about the United Nations I do not think any of us can determine at this stage.

Mr. JACKMAN: Is there any concerted policy on the part of the External Affairs Department to spread information with regard to international developments and background? I have here a bulletin published by the Department of State in the United States called Volume XII, 297, dated March 4, 1945. I do not know what circulation it has or what other publications the Department of State puts out, but I will give you the index:—

1. President's report on the Crimea conference.
2. "Our Global War"
Address by Acting Secretary Grew.
3. Inter-American conference on problems of war and peace.
4. Remarks by the Secretary of State.
Statement by the Assistant Secretary Clayton.
5. Act of Chapultepec.
Resolutions presented at the conference of the United States delegation.
6. "Building the Peace".
Main Street and Dumbarton Oaks.
7. The Bretton Woods proposals as part of post-war organization.
Address by Assistant Secretary Acheson.
8. Publication of "Papers relating to foreign relations of the United States 1930" Volume I.

Apparently, there is a purpose sought to be achieved by the Department of State in the United States in the way of education; but as far as I know there are no official bulletins published by our own government regularly. Occasionally we do get reports of international agreements, Bretton Woods Conference Organization set-ups, etc., but I wonder if Mr. Wrong could tell us what the Department of State in the United States does in this regard and whether or not he thinks it is really worth while, and also whether or not it is something that we might well adopt gradually in Canada?

The WITNESS: As far as I know the publication of the Department of State to which Mr. Jackman has referred is the only regular printed publication issued by the Department of State. It comes out, I think, once a fortnight, and it consists of the press releases that have been issued by the Department of State during the preceding two weeks. Occasionally it may have a specially written article, but mostly it contains speeches, announcements, etc., relating to the activities of the State Department within a fortnightly period. We have not considered the development of a similar publication on our part, and our publications are confined to the treaty series which contain the texts of various formal agreements to which Canada is a party, and the reports of the principal international conferences at which Canada has been represented. These, of course, are inevitably issued sporadically as the occasion arises and are not regular publications.

Mr. BOUCHER: Summarizing my opinion about this particular grant, we are not forced into the position of whether we are to give more or less, but I think the discussion has left me convinced that we as a committee will do a good job if we urge the Department of External Affairs to go as far as they can in the way of disseminating information on international affairs both in literature and over the radio; and whether they decide to do so through the

agency of the United Nations Society or through private corporations of some nature that might very well be done by a little more publicity than we have had heretofore.

Mr. JACKMAN: Mr. Wrong spoke of the work in the United States but he did not express an opinion as to what might be the best thing for Canada. Perhaps he feels that that matter is a matter of policy and he does not care to go record, but if he has an opinion which he feels free to express it would be interesting.

The WITNESS: I think the Department of State bulletin is largely printed for special circulation. For instance, it goes to the numerous American diplomatic missions and consulates and other offices abroad and probably most of the newspapers pick up material from it when they wish it; but it is not in any sense a popular publication having a direct propagandist or educational end in mind. It really places on record in a convenient form the current statements which emanate from the Department of State, and I would not like to say whether it would be worth our while considering trying to produce a similar bulletin here. There is a distinct difference in the circumstances. A great deal of the material which is included in the Department of State's bulletin would, in Canada, be replaced really by statements made in parliament on behalf of the government, which is a situation they have not got in the United States because of the difference in the systems of government—they have not the opportunity of making a statement of policy in the same way as is open to the Cabinet here.

Mr. COTE: Would it be possible for Mr. Wrong to tell us whether the \$3,000 meets with the present requirements with regard to distribution of national propaganda through government services? Would it be possible then to subsidize, for instance, organizations like the Canadian Institute of International Affairs or the U.N.O. Society in this country so as to increase the distribution of their propaganda, which has not an exclusively political objective?

The WITNESS: I assume it would be possible and I have no doubt that the organizations concerned would be glad to receive additional income from public funds, but I feel that Mr. Cote's question raises a matter of policy and I would rather not comment on it. I can only say that if you pick out two or three organizations of this sort it would be difficult to draw the line, and that is why I was rather inclined to favour the restoration of the old reference in this vote, to the purchase for distribution of publications, because it did provide something concrete to indicate why this particular society was being aided.

Mr. COTE: I understand that in the United States the government is subsidizing organizations such as the Academy of Social Science; why should we not do that here? I suggest that the committee should at least make a recommendation to the government to consider this point of view.

The CHAIRMAN: Mr. Wrong, probably item 51 would contain partly an answer to Mr. Cote's question with regard to the distribution of United Nations literature, because there is an item there of \$346,000. The United Nations must have of necessity a department of publicity. That would cover what Mr. Cote has in mind with regard to disseminating the activities and the work of the United Nations.

Mr. MACINNIS: I should imagine that the expressions of opinion this morning would indicate that we are through with secret diplomacy. Was it not Mr. Wilson who said, "open agreements openly arrived at"? It was only a few years ago that discussions in the House of Commons on foreign affairs were frowned upon as being rather dangerous.

The CHAIRMAN: We may widen the scope of discussion in this committee if we have a chance.

Mr. GRAYDON: Have you any information as to what work of this character—that is educational and informational service—other nations are carrying on? I am not speaking so much about the United States and Great Britain or members of the commonwealth, because I think we do know something of what they are doing; but what are they doing, for instance, in a country like Russia or in South American countries or in the Arab states; is there information on that point?

The WITNESS: No, Mr. Chairman, we have no information on that matter. In Russia there certainly would not be any grant to a private society for the dissemination of information, because that would not fit the pattern; they control all the elements of public information in Russia themselves. I think it would be quite impossible to say what portion of their energies will be devoted to enlightening Russian people as to the work of the United Nations Organization.

Mr. GRAYDON: I was not thinking of that particularly.

The WITNESS: I am afraid we have no information on what is being done in other countries.

Mr. JACKMAN: The Arab league sends a bulletin to everyone. I occasionally get one from the Zionists in regard to the Palestine problem.

Mr. GRAYDON: Mr. Cote said in effect that if we are going to have a permanent peace we have to have a people's peace. There is no question about that. It has always struck me, and this is only a personal view, that the great need is understanding. After all, misunderstanding is a great barrier among the common people as regards things that crop up in international affairs. Take farmers, if you like, your working people and other people of that kind; an understanding between the common people like ourselves and others who are not specialists in diplomacy is one of the things which in the end, I believe, will do as much as any other single thing in seeing that the barriers which separate nations and support national aspirations are broken down. For instance, cheaper travel in peace time and better facilities for travel for people who normally do not travel is an important factor. I refer to people who usually never go outside of their own communities and who, because of that, cannot be expected to have an international outlook. How could they have such an outlook; they are not given an opportunity to have it. It seems to me that some consideration in the future might be given to a freer interchange among the ordinary common people of these countries so that they could meet and try to understand the problems of all common people, people within their class, and doing their own type of work. For instance, if a farmer goes to Great Britain he wants to see the farmers in Britain; he wants to know what they are doing; he wants to know what their particular line of policy is with regard to certain things; and if he goes from one country to another he will pick up information from the ordinary people which the experts in diplomacy would not think of. It seems to me that through that interchange—occupational interchange if you like, where people of similar interests in different countries get together—will be afforded a very fertile means of advancing international understanding; and I am not sure that in the end it is not going to be a question which is based on international understanding. I put that thought forward to the committee. I know I am out of order, but the committee has been very kind to me, and I appreciate their kindness.

Mr. COTE: We in this committee and in parliament have to face a new problem, the problem of the returned men who have travelled all over the world and who to-day are asking us to give them information. They know people and countries that they never knew anything about before. Then there are the young chaps in the schools who have witnessed the war from a long distance

from the battlefield, who have discussed the war in their classrooms. They have discussed what is going on here and what is going on there and they have got themselves used to thinking in terms of larger fields and of generations to come. Speaking of these youngsters, I have a little boy of nine years, and I wish I had been, at nine years of age, as well informed on the world as he is. Children listen to the radio and read the papers every day and learn about this situation and that situation all over the world. You cannot stop these people from asking the government to supply the proper information. This is the generation of young people, the children of our country and also of these returned men; and the younger generation are asking us to supply them with information with regard to the world which they know. Now, how can we do that with a vote of \$3,000 just for distributing material? We are going to lag behind. My suggestion is that the committee should make a recommendation to the government to increase that amount ten times to meet these requirements.

The CHAIRMAN: I believe that Mr. Cote has partly answered his own question because he has mentioned the attitude of his fine son on international questions. The press of this country, the magazines, the periodicals, the radio have been giving a lot of information on international questions, and that is no doubt where Mr. Cote's son got his information. I do not think we could present a recommendation, but we could mention this matter in our report after we have studied more closely the activities of this organization and have one of the higher officials before us to give us information on this matter.

Mr. COTE: I want to satisfy ourselves about this matter.

The CHAIRMAN: This is a grant to a special organization. As Mr. Wrong has said, we do not know the line of demarkation. I myself am not at the moment in touch with the activities of the United Nations League, but I believe we can leave this matter for the present until we get further information from higher officials in that organization.

Mr. BREITHAUP: This is not the only organization that disseminates knowledge and propaganda for Canada. We have the Department of Trade and Commerce in particular which spends millions in disseminating information which is to the benefit of Canada and which to a large extent also enables foreign countries to learn something about us. I agree with my friend in regard to principle, but I do not think this is the time to increase governmental expenditure in any department unless it is absolutely necessary. I think this is a good start, and we should stick to it until it can be shown that we need more money.

Mr. COTE: It appears that I have not made myself clear. It is not a matter of making Canada known elsewhere—I believe the Department of Trade and Commerce spends \$600,000 for that purpose—but I say this is a contribution to an organization which is world-wide in scope and which informs Canadians of affairs in the rest of the world. I am not speaking of informing the rest of the world about Canada. I think Canadians should be informed on the rest of the world. With a contribution of \$3,000 to a world-wide organization we cannot ask this organization to supply us with what we need.

The CHAIRMAN: Are there any further questions?

The WITNESS: May I proceed to item 44, an item to provide for hospitality in connection with visitors from abroad. The amount provided in this estimate is \$25,000. Last year \$15,000 was provided in the main estimates, but a supplementary estimate was voted of \$7,500. There is a net increase this year of \$2,500 over the total vote of last year. The expenditure last year out of these two votes was about \$17,000. I should like to say in connection with this vote that we want to be sure that we have enough to last until the end of the fiscal year in the event of some demand being made in, say,

February or March, such as a visit from the head of a state or the Prime Minister of the United Kingdom, or someone of that order—we want to be able to provide him with respectable hospitality. I should like to see some surplus left of this vote at the end of each fiscal year for that reason.

Now, the purpose of this vote is explained in its description. Most governments, I believe, spend a great deal more money proportionately to their budgets than we do on entertainment of visitors from abroad; but it might interest the committee to know a little about the arrangements made. I am sorry that Mr. Graydon has had to leave the committee, because he could speak at first-hand about the activities of the Government's Hospitality Fund in the United Kingdom; both he and I have been beneficiaries on more than one occasion of the hospitality that they have furnished.

In the United States they have found the demand so great that they have in the last four or five years actually purchased and equipped two guest houses in Washington, near the White House, which they use for the accommodation of certain distinguished visitors and also for the entertainment of people coming to Washington on official visits. I do not know what their total expenditure would be, but it would be many more times our figure than their national revenue exceeds our national revenue.

This is not a large vote. It is used for such purposes as entertaining visiting chiefs of state, prime ministers or distinguished foreigners who come to Canada. Sometimes we pay the entire expenses from the time of arrival in Canada to the time of departure. A person is then the guest of the Canadian government. More frequently the vote will be used for giving a luncheon or dinner or a reception by the Canadian government to a visitor when he is at Ottawa. Then also when international conferences are held in Canada it is customary for the host country to give a reception to all attending at the beginning of the conference, and it is usual for the chief of the Canadian delegation to give a dinner for the heads of delegations in the course of the conference.

That is the main expenditure there. There are a few miscellaneous oddments as well. It is a troublesome aspect of the conduct of business of the department. Mr. Measures is particularly concerned with the administration of this vote and he will back me up in the statement that it causes us far more small troubles than the amount of the vote might seem to indicate.

By Mr. Boucher:

Q. Is this the only source that the government has for such work?—A. Yes.

Q. Does each department also have an appropriation?—A. Not for the entertainment of visitors from abroad. Of course, other departments have their own fund to be drawn on for purposes of entertainment, but this is limited to the entertainment of visitors from abroad.

By Mr. Fraser:

Q. Do you put these people up at the Chateau?—A. Quite frequently. I should say that the Governor General will frequently invite a visiting dignitary to stay at Government House. For instance, the President Elect of Colombia will visit Ottawa next Monday on an official visit, and he will stay at Rideau Hall when he is in Ottawa, and the Governor General will give a dinner in his honour next Monday evening. But this arrangement is not always available, and this vote is used for many other purposes on a somewhat lower level perhaps than would justify reception at Rideau Hall.

Q. Suppose a visitor comes over here to discuss a matter of finance with the Department of Finance, would that department also have a fund?—A. No, it draws on this fund for that purpose. For instance, I was present last week

at a luncheon given to two Commissioners of the Newfoundland government who were here discussing problems of civil aviation. The cost of that luncheon will be paid out of this vote.

MR. BREITHAAPT: You provided a sum of \$15,000 last year; do you know how much was actually spent?

THE WITNESS: It was really \$22,500, there was a supplementary vote, and we spent about \$17,000.

MR. BREITHAAPT: In view of the greater amount of travelling to this country at the present time this vote would not seem to be too high.

THE WITNESS: I think it might prove to be on the low side. We might possibly have to come back for more. You cannot guess your program in advance at the beginning of the year, and we are in a rather special position in these matters because a great many people come on official visits to the United States and it is desirable, I think, that a great many of them should be invited to pay a visit to Canada. Because of the drawing power of the United States we benefit to a considerable extent from visiting dignitaries.

MR. FRASER: This would only cover part of it, because I have noticed on the third floor of the Chateau on many occasions that you have guards outside of the doors of the dignitaries, or detectives.

THE WITNESS: There is a certain amount of what I might call manpower involved which would undoubtedly be charged normally to departmental administration. Mainly this is actually to pay the cost of hospitality—luncheons, dinners and so on.

MR. FRASER: Food and board.

MR. JACKMAN: When the estimates were up last year, as I recall, there was an item covering the attendance of a Canadian delegation to the International Air Conference in the United States. I think that was charged to your department. I remember asking the Secretary of State for External Affairs why that should not be charged to the T.C.A. which is the only body in Canada which has anything to do with international air transport; and if I recall his reply, it was to the effect that sometimes such things were charged to the department directly concerned which would be, I suppose, the Department of Transport in this case, and sometimes charged the Department of External Affairs, not depending on the whim of the accounting at the time, but sometimes one way and sometimes another way. Let us take another example, Mr. MacKinnon's trip to South America as the head of a trade delegation. I suppose that would be charged to the Department of Trade and Commerce and not to the Department of External Affairs; but is there any hard and fast rule as to whether the cost of international delegations from Canada should be charged to your department or to some other department that is directly concerned?

THE WITNESS: Mr. Chairman, that matter will come up on vote 49. The sum of \$200,000 is provided for Canadian representation to forthcoming international conferences. I would not like to say that covers all international conferences. Sometimes a small technical conference, attended by perhaps one or two technical officers of the government, may be carried on normal expense accounts and appear as travelling expenses in the departmental vote. This does include the fairly large delegations to big international conferences; and it does not indeed cover quite all of those, because there is a vote you will find under the Department of Labour for participation in the International Labour conference, a separate vote. It would cover participation in the United Nations meetings, the F.A.O. and Civil Aviation Organization and so on.

MR. BREITHAAPT: In any case, the Trade and Commerce trip would not be charged to this vote?

The WITNESS: No, that was a trip undertaken by the Department of Trade and Commerce at the expense of the department. That was not an attendance at an international conference; really it was a tour for the promotion of Canadian trade.

Mr. MACINNIS: This is for visitors coming to Canada?

The WITNESS: Yes, for visitors coming to Canada. I might mention that when Mr. MacKinnon did take that trip down there he was the recipient of rather lavish governmental hospitality on the part of the Latin American countries he visited, and this vote enables us in a much more modest way to reciprocate when Latin American dignitaries come to Ottawa.

Mr. JACKMAN: With regard to a matter such as joint defence that is charged directly to the National Defence Department, is it?

The WITNESS: Yes. There is a small vote, No. 48, \$2,500, which is entirely travelling expenses of those attending meetings. I think I am right in saying there is no salary charge; the salaries are carried on the departmental estimates. It is not full-time work for members of the board. I do not know whether Mr. Measures has anything to say in that regard for the information of the committee?

Mr. MEASURES: No, I think you have covered the point.

The WITNESS: I think we shall probably have to aim at a rather larger organization for government hospitality in due course in Canada as we ease up the travelling restrictions. It is going to become a bigger problem as time goes on, and my own feeling is that it is a question where it is quite easy to abuse the taxpayers' funds. It is quite essential that we should be able to meet all the legitimate demands, but it requires a close control to see that there is a fair return on the investment. Ottawa as an international centre has changed a great deal in the last seven years, and I do not think we have quite caught up with the change in position in our arrangements for official hospitality.

Mr. BREITHAUP: As Canada grows as a nation that is only natural.

Mr. MACINNIS: How can you determine that you are getting a fair return for the expenditure?

The WITNESS: I cannot suggest any mathematical formula whereby we could do it. We have to watch over it and be careful of our expenditures charged against this vote.

By Mr. Fraser:

Q. This is not money spent only in Ottawa, it might be money spent in Halifax and on the Pacific coast?—A. Most of it is spent in Ottawa. I do not want to give the committee details on actually how this vote is spent. I understand that questions have frequently been asked in the British House of Commons as to how the hospitality vote is spent, and the answer has always been that if they give details on what was spent on the reception of a particular individual or group the hospitality would lose half its value and all its grace; and that has been accepted as a satisfactory answer, and I think it is a convincing one. I should not like to put in a public document how much was spent on the President of Chile when he was here last year or on the Prime Minister of the United Kingdom when he was here.

Q. It would be embarrassing.—A. Yes, it would be embarrassing. This is a matter where we must really ask the committee to trust in the discretion and good sense of those responsible for administering the vote, as long as they are satisfied that the amount is adequate and reasonable.

By Mr. Cote:

Q. The administration has to concern itself with the problem of coping with the new world, concerning receiving properly the great figures of the war at

Ottawa. Has some arrangement been made for receiving General Montgomery?—A. I think the Department of National Defence is actually looking after that.

Q. That would not come under this vote?—A. We may have some expenditure charged to this vote, but Field Marshal Montgomery comes here as a military visitor, as the chief of the Imperial general staff.

Q. Are we to gather the impression that proper arrangements through External Affairs and the Department of National Defence have been made to provide for a fitting reception?—A. Mr. Measures confirms my impression of that. The actual details are being worked out by the Department of National Defence, which I think is appropriate in the case of a distinguished field marshal who is also chief of the general staff in the United Kingdom, and I think we can assure the committee that there will be a very carefully worked out program presented, about which we shall be consulted as to our views, as regards problems that arise.

Mr. BOUCHER: Is it possible to give us any guide as to the authority to spend that money, and the limitations, on whom it shall be spent, or any rule of thumb in disposing of it?

The WITNESS: Perhaps Mr. Measures can answer that question.

Mr. Measures, Protocol Officer, called.

Mr. MEASURES: Mr. Chairman, I have a list of the beneficiaries, so to speak, of this vote.

Mr. BOUCHER: I am speaking now, Mr. Measures, mostly as to how it is decided upon whom the reception shall be bestowed.

Mr. MEASURE: I think that rests with the political divisions of the department.

The WITNESS: It depends upon the volume of the expenditure what exact authority is required. For example, when the late Lord Keynes was here with a small delegation from the British treasury conducting financial negotiations last year he was given a luncheon at which, I think, the Minister of Finance presided, and that arrangement was a departmental matter with Mr. Ilsley's concurrence; he acted as host. In the case of a large expenditure it probably would be referred to the Secretary of State for External Affairs for authority. I believe that is the system which is followed in most countries: smaller expenditures the Under Secretary for External Affairs can authorize; for the large ones ministerial authority would have to be sought. As to recommending who should be entertained, that is a rather intricate process and sometimes leads to a certain amount of argument with Canadian representatives abroad who always think that we should do more than we are doing; but we consider all the various aspects and decide on the whole what type of hospitality befits a particular guest.

Mr. BOUCHER: I was thinking of the case where we had increased our ambassadorial staff to other countries and if there is any possible liaison organization which knows if there are men coming to our country who should be hospitality visitors?

The WITNESS: Oh, yes, we get a good deal of information back from our own missions abroad, and notice of a desire of some foreign minister or prime minister or chief of state to come to Canada will come from the Canadian mission in that country concerned.

The CHAIRMAN: We will proceed with the next order.

The WITNESS: I will turn the matter over to Mr. Hemsley.

The CHAIRMAN: Mr. Wrong, will you give us some guidance for our future proceedings as to the officials we might have at our next meeting?

The WITNESS: If you wish to go on with item 47 on Civil Aviation Organization Mr. Pierce would be the best official of the Department of External Affairs for you to have.

Mr. FRASER: Items 47 and 55.

The WITNESS: Yes.

The CHAIRMAN: Will you be kind enough to contact him for us?

The WITNESS: Yes.

Mr. COTE: May I ask Mr. Wrong a question? I have had a few requests that I could not answer from people of the Civil Service who would like to know how they should proceed to become members of the staff of the U.N.O., or other staffs. Is there a sort of pooling office?

The WITNESS: I am glad Mr. Cote brought that question up at this time. I think some arrangement will be announced within the next week or two. There has been a considerable amount of confusion about recruitment of the United Nations staff, and a great many different channels have been used by the United Nations Organization itself. At the request of the secretary general we lent him about three weeks ago the services of Mr. MacDermot, who is the chief of the information division in my department, specifically to organize recruitment in Canada and also in Australia, South Africa, New Zealand and India. The plan, I believe, which they are contemplating is to have a part-time resident secretary, really of a small committee, who would be paid some sort of a retaining fee by the United Nations Organization to whom all applications for employment would be filtered. He would really be in a similar capacity to the Civil Service Commission in respect of government departments. He would be the recipient of the applications and would see that the requisite background and information is secured. He would act as a filter, would know something about the requirements at the other end; and all the correspondence would pass through him. As Mr. Cote has said, the present system is rather confusing.

Mr. COTE: I did not say quite that.

The WITNESS: The implication in the remarks was that it is confusing for a person intending to get employment.

Mr. FRASER: Has not an office been set up on Spark St.?

The WITNESS: I do not think so; only for U.N.R.R.A.

Mr. Hemsley, recalled:

Mr. HEMSLEY: What I am about to say results from questions asked the other day. One question had to do with returns of revenue from passports in Ottawa. They have shown a steady increase. I have the figures for the last six months. In December, 1945, the return was \$13,378.30, and the return for May of this year was \$18,342.

Mr. FRASER: What is your expense per month there?

Mr. HEMSLEY: The expense would be one-twelfth of our vote.

Mr. FRASER: That would include your printing and everything else?

Mr. HEMSLEY: That includes everything, printing and issuing of the passports. These monthly returns, of course, go to the Consolidated Revenue Fund; we do not see that money in the administration of the passport office. The increase has been fairly steady since December, as might be expected.

The CHAIRMAN: Are there any further questions on that item?

Mr. HEMSLEY: The other item, I think, Mr. Chairman, was the figure of the increase of \$51,000 in the passport administration vote. An explanation was needed of that. That increase of \$51,000 is rather more apparent than real, in that we had an item last year in war appropriations of \$28,500 for an increase in

the activities of the passport office resulting from war legislation. This was carried on war appropriation as that appeared to be more appropriate than making it a charge against our regular departmental vote for administration. This item of \$28,500 last year would of course be in addition to the \$29,928 shown there. The remainder of the increase can be accounted for by increased staff. We estimated at the time of the preparation of the estimates that we would have an increase in business resulting from the end of the war in Europe, and that we would need possibly twenty more clerks in the passport office, judging from the weekly returns and the way applications were coming in. We were a little under, and we have taken on somewhat more than twenty; and unless the situation goes back to a more normal condition we may have to ask for a limited supplementary.

Mr. FRASER: This \$81,000 covers rental, does it?

Mr. HEMSLEY: The whole administration of the passport office. The rental of space for the records of the passport office may be carried by the Public Works Department, I am not sure of that. We have the two offices. When we are overcrowded on Bank Street we have some records space in another part of the city. I am certain it is carried by Public Works.

The next vote I was asked to speak on was this amount required to meet the loss of exchange, vote 45, asking for an amount of \$60,000. That vote can be broken down under three main requirements: the first is based on an old order in council, applicable not only to the Department of External Affairs but to all government departments who have staffs in countries whose exchange is at a premium of 10 per cent or more. That affects us in New York, Washington and Cuba. That old order in council makes provision for the payment of salaries up to \$1,500 in the currency of that country. In the cases under consideration we pay in United States dollars or the equivalent, up to \$1,500, and at half the exchange difference on salaries above \$1,500. That takes up roughly \$12,500 of this amount we are requesting and permits us to pay the salaries in United States funds under that old authority.

Another part of this vote, I take it, is linked with item 51, which is the expenses of the League of Nations and International Labour Office. At the time of the preparation of what item we used the rate of exchange of the Swiss franc of that day, and we are not quite sure what the rate of exchange will be on the date we actually pay. Rather than include this variation of the rate of exchange in item 51 we did, at the suggestion of the estimates officer, include an amount equal to 5 per cent of the vote to cover any variation in the rate of exchange. So when we come to settle up we may need it or we may not. If we settled that item at the moment we would be gaining. It is an item that may be used or may not be used.

The other part of the vote is taken up with the exchange on personal advances to staff in the Moscow embassy. There is rather a different way of treating allowances in Russia. At the time we came to set up the allowances, conditions were rather chaotic and fluctuating, so that, based on the experience of the American and largely the British, it was decided, rather than to keep modifying the allowances, to adopt some basic treatment of guaranteeing the staff of the embassy a rate of exchange in excess of the official rate. The official rate is 12 rubles to the United States dollar, and we guarantee the personnel there 25 rubles to the United States dollar. That is to take up all the slack. Of course, there is a limit put on the amount of rubles that the people may draw at the guaranteed rate of exchange of 25 rubles to the dollar. The Ambassador decides that, having in mind the requirements of each individual officer and his family there. The authority for that is P.C. 23/11742 of December 30, 1944. That was when the mission was being established at Kuibyshev, but the situation applies at Moscow.

Mr. JACKMAN: As regards the Russian exchange, that means that if one of our men in Moscow was given a salary of \$5,000 and he was allowed to convert that at 12 rubles to the dollar, that would not be fair enough?

Mr. HEMSLEY: That is right.

Mr. JACKMAN: And you have to give him at least 25 rubles to give him the purchasing power?

Mr. HEMSLEY: The way the Americans do it is by a 45 per cent increase over their basic allowance, which is not quite up to that figure; but they recognize that is not enough.

Mr. JACKMAN: That means that the Russian ruble is greatly overvalued in the world markets?

Mr. HEMSLEY: Yes.

Mr. JACKMAN: And the result of having to double the number of rubles which we give to our people is that we have to pay to Russia twice as many dollars as would ordinarily fit the circumstances?

Mr. HEMSLEY: Yes.

Mr. JACKMAN: In other words, we have to provide the man with \$10,000 Canadian dollars in order to have an effective purchasing power of \$5,000?

Mr. HEMSLEY: Yes.

Mr. JACKMAN: It is a gift, really, to Russia, because of their governmental order saying the official rate is 12 rubles to the dollar?

Mr. HEMSLEY: That is the effect, but we do it that way rather than the way we do it in Paris, that is by modifying the allowance. Maybe the situation will change. We have to set up allowances all over the world; it is a vexing question to set an allowance that will be considered proper; and we have been cooperating with the Department of Finance, the Bureau of Statistics and the Department of Trade and Commerce in surveys being made of all missions and other places overseas so that we may reduce our allowances to a somewhat more scientific basis than that on which they have been set in the last few years.

Mr. JACKMAN: I suppose it is outside of the sphere of the Department of External Affairs to take the matter up with Russia—the fact that their exchange is greatly overvalued—that would be something that will come before the International Bank.

The CHAIRMAN: Are there any further questions? If not, I wish to thank Messrs. Measures and Hemsley for coming here and giving this information. We will meet again on Friday.

The committee adjourned to meet on Friday, June 21, at 11.30 o'clock a.m.

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Ottawa External Affairs, Standing
Committee, 1946

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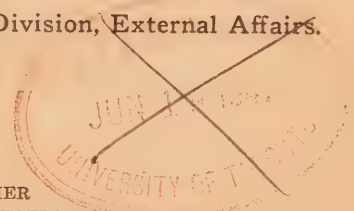
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MONDAY, JUNE 24, 1946

WITNESS

Mr. Sydney D. Pierce, Chief of Economic Division, External Affairs.



OTTAWA
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1946

MINUTES OF PROCEEDINGS

MONDAY, June 24, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock.

Present: Messrs. Benidickson, Coldwell, Fleming, Fraser, Jackman, Jaenicke, Jaques, Low, MacInnis, MacLean, Mayhew, Mutch, Sinclair (*Ontario*) and Winkler.

In attendance: Mr. Sydney D. Pierce, Chief of the Economic Division, S. D. Hemsley, R. N. Macdonnell, Chief of the Third Political Division and John Starnes, replacing Commander L. C. Audette, liaison officer.

In the absence of both the Chairman and the vice-chairman, and on motion of Mr. Fraser, Mr. Winkler was elected chairman *pro tempore*.

Mr. Low read a telegram under date of June 22 addressed to himself from Mr. Williams, Secretary-Treasurer of the Canadian Legion, Edmonton, Alberta. The Committee decided to refer this communication to the Department concerned. (*For text of telegram, see this day's evidence*).

The Committee resumed its study of the estimates referred. Namely: votes 55 and 47,—Provisional International Civil Aviation Organization.

Mr. Sydney D. Pierce was called, examined and retired.

On motion of Mr. Low, the Committee adjourned at the call of the Chair.

Antonio Plouffe,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

24th June, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Acting Chairman, Mr. H. W. Winkler, presided:

Mr. FRASER: I move that Mr. Winkler act as chairman.

Mr. COLDWELL: I second the motion.

The Acting CHAIRMAN: The first matter before us is vote No. 55, which concerns the Provisional International Civil Aviation Organization.

Mr. Low: Before you start with that, Mr. Chairman, it might be possible for me to have one moment in which to ask for advice in connection with a wire which just came to me and which has to do with External Affairs. The wire reads as follows:—

Sir, a large number of men who have returned from overseas are deserting their wives and families and are returning to England to women who they have been associating with for the past few years. The Passport Officer states that he cannot refuse passports to these men as that would be interfering with their civil rights. I consider it is the duty of your government to prevent this as if it had not been for the fact that your government declared war these men would have been happily settled with their wives and families. While it is true that a man has civil rights it is also true that his wife and family have rights too. This is a very serious matter and I trust that you will take the necessary steps to see that the men concerned are compelled to remain in this country and shoulder their responsibility of providing for their wives and families and not throwing this responsibility on the shoulders of the municipalities.

(Sgd.) Williams,
Secretary-Manager,
Canadian Legion, Edmonton.

The ACTING CHAIRMAN: The question arises in my mind whether that wire should be placed before this committee; but it is a matter for the committee itself to decide.

Mr. COLDWELL: It is a passport problem, is it not?

Mr. Low: That is the reason I brought it down here.

Mr. JAENICKE: We can stop this difficulty by refusing passports to those chaps.

Mr. FLEMING: But the issue of a passport is a matter of identification, largely. I do not think the passport office has ever considered whether a man owes some civil liability before he is issued a passport.

Mr. JACKMAN: There are authorities governing the use of the mails in connection with financial matters.

Mr. Mutch: It is questionable whether you would be doing the wives any favour.

The ACTING CHAIRMAN: Would you be satisfied, Mr. Low, to have the matter referred to the steering committee?

Mr. Low: Yes, I would like the matter to be referred to the proper authority.

Mr. COLDWELL: Why not refer it to the department.

Mr. Low: Yes, right to the department.

The ACTING CHAIRMAN: We shall first call on Mr. Pierce.

Mr. S. D. Pierce, Chief of the Economic Division, Department of External Affairs, called:

The ACTING CHAIRMAN: Mr. Pierce, would you give us your full name and something of your background?

The WITNESS: My name is S. D. Pierce and I am chief of the Economic Division of the Department of External Affairs. During the war I was in Washington for the Department of Munitions and Supply, in various capacities, ending up as director-general of the Washington office. Before the war I was concerned with various private interests of my own, for a number of years. They were pretty widely scattered. I can add to that, if you desire, Mr. Chairman. Before that I had some experience with the Associated Press in Montreal and with the "Montreal Gazette"; and I lectured for one year, in Political Science, at the University of Dalhousie. I graduated from McGill in civil law, in 1925, and in Arts in 1922, majoring in economics. I was born and educated in Montreal.

By the Acting Chairman:

Q. Would you care to say a few words as well about the background of "PICAO", and how it comes about that you are chosen to give evidence?—A. Yes, Mr. Chairman, I am giving evidence on PICAO because international aviation comes under the jurisdiction of the Economic Division and it is as chief of that division that I presume I have been asked to come here. I have participated in international aviation, insofar as it concerns our division, that is, in its External Affairs aspects. Recently I was on the Canadian delegation at Montreal during the three weeks meeting of the assembly of PICAO.

The organization came into being, as a result of the conference held in Chicago in 1944, and when the required number of acceptances of what is known as the Interim Agreement were received, in June of last year, the provisional organization came into being. It has a life of three years and is to be replaced, if all goes as is anticipated, by a permanent organization. So PICAO will become "ICAO", the letter "P" standing for Provisional being dropped, we expect, in the spring of next year.

The purpose of PICAO and ultimately of ICAO is to make the development of international civil aviation orderly, rapid, safe, and economical.

The objective of making it orderly is achieved by various means. Perhaps I can touch on some of them, and if there are any questions, I could deal with them, if that would be satisfactory, Mr. Chairman. The organization is developing what is known as a multi-lateral agreement which will concern the granting of commercial air rights. It is endeavouring to develop an agreement which will be acceptable to most of the nations of the world. Such an agreement would outlaw discriminatory practices of all kinds in the air and make the air free for all commercial travel except cabotage, that is, the carrying of traffic by a foreign plane, between, for example, Montreal and Toronto. That would always remain a national right. The other rights, such as the right to fly over a territory on a commercial trip; the right to land for non-traffic purposes; the right to carry traffic from the country of origin of the plane to the country of destination; the right to pick foreign traffic and carry it to the home country of the plane; and the right known as the Fifth Freedom, to carry traffic between

foreign countries, for example, a British plane picking up traffic at Montreal and taking it to New York. The multi-lateral agreement would grant these rights to all the nations that accept the agreement, subject to certain controls, so that regional services would not be placed at too great a disadvantage with respect to the through services. If through services carry a full load on the main run they might be inclined to fill up on any terms that they could. However, the multi-lateral agreement has not yet been accepted and is not yet in a form for acceptance. In the meantime the international organization has prepared what is known as the standard form of bi-lateral agreement so that, in the interim, two states that wish to conclude an air agreement, have a form which includes clauses precluding discrimination and ensuring fair practices. I think that practically all of the nations that have signed bi-lateral agreements have used the standard form with some modifications; but the general principles that have been laid down are generally accepted and are now part of international negotiation. Order in the air is introduced by many other practical means; but since they also serve other objectives, such as safety, economy, and rapidity, I might, perhaps, blur the outlines a little.

Rapid development is achieved by arranging for the exchange of technical information by members of the organization and PICAQ draws from its present membership of forty-six nations the best technical men to meet in committees, in subcommittees, and in regional meetings. The organization endeavours to facilitate air travel by simplifying customs and passport regulations and health and quarantine regulations.

Safety is sought through a great number of measures, with some of which I will deal. There are standard practices prepared, requirements of airworthiness, qualifications for the pilot, requirements for the ground facilities that should be provided, types of runways, of radio aids to navigation, of lighting beacons, and so on, covering the complete field of the plane in the air, and on the ground, the facilities which are provided at the airfields, and the pilots who fly the planes. These standards and practices are not imposed upon the subscribing nations; the aim is to draw up a standard or recommended practice, not to impose it as yet, because air is too new, and too many nations are still undeveloped in the air. So, to adopt a practice now which might suit the United Kingdom or suit the United States or Canada might inflict hardship on a country which is not yet in a position to adopt the practices. They are rather a body of safety objectives which member nations are attempting to achieve. In addition PICAQ also deals with provision for rescue at sea, and the provision for traffic control in various regions. PICAQ has divided the world of air travel into various regions. It has already held two regional meetings, one at Paris for western Europe and one at Dublin for the north Atlantic. At those meetings it was agreed that traffic control should be centred at one place, one country being charged with controlling traffic in the area, and various other steps were taken of a similar coordinating character. Safety is also achieved by such means as those considered at the last meeting in Montreal, to station weather ships in the north Atlantic, to decide how many ships there should be, how they are to be financed, and what areas they should occupy.

It is difficult to consider the last point, economical development in isolation but you can see that it is related to the considerations already dealt with. Obviously, if you had one nation and not five nations controlling traffic, it would be cheaper in the long run. Economy also enters in concerning the designation of international airports. If there is an area served by many airports, PICAQ will determine, in many cases, which is the suitable airport, whether an airport offers suitable facilities. Therefore a nation can avoid demands being made upon it to open up more airports than are needed for the proper development of international organization.

PICAO is also assuming quite an important status as a court of international air disputes, not upon an obligatory basis at all, but by general acceptance, which is taken into recognition in most of the bi-lateral air agreements that have been concluded, where provision is made that air disputes are to be referred to PICAO, usually after an attempt has been made to settle them between the two disputants. But in almost every case that I know of, PICAO is at least the court of appeal.

By Mr. Coldwell:

Q. How many nations are members?—A. Forty-six are members now of the fifty-four that attended at Chicago. That forty-six includes all the important nations except Russia which was not at the first meeting and has not yet joined. Of those forty-six nations, forty-four attended the assembly meeting; so the interest shown is very keen. Poland, whose status is somewhat in doubt because of political complications, did not attend, as a member but as an observer and the only other member nation that did not attend was Greece.

By Mr. Fleming:

Q. What is the outlook with regard to Russian participation?—A. I can say that at the assembly where the question was very fully discussed the outlook was not considered very good. There were originally twenty-one seats on the council, the council being the administrative executive body of the organization. At Chicago twenty seats were filled, and the twenty-first seat was left vacant in the expectation that Russia might occupy it if she showed an interest. At Montreal the question arose whether this twenty-first seat should be filled, and it was filled. So the fact that it is no longer left vacant for Russia indicates that the member nations do not think her participation likely.

Q. What was the basis of Russia's failure to come in?—A. She has never expressed her reasons.

By Mr. Coldwell:

Q. What is the breakdown of this amount of \$65,000, do you know?

By Mr. MacInnis:

Q. Before answering that question, I wonder if you would tell us what the five freedoms are. We would like to have them for the record.—A. The first freedom is the right to fly over a country. The second freedom is the right to non-traffic stop; you can come down and refuel and take off again without picking up or depositing passengers. The third freedom is the right to carry home-foreign traffic; in other words, the third freedom for Canada would be the right to take traffic from, say, Montreal and deposit it in a foreign country, say London. The fourth freedom is the right to carry foreign-home traffic; that is, for a Canadian plane to pick up passengers in London and deposit them in Montreal. The fifth freedom is the right to carry foreign-foreign traffic, such as the right of a Canadian plane to pick up passengers in London and take them to Paris.

By Mr. Coldwell:

Q. I was going to ask about the breakdown of this appropriation of \$65,000?—A. It is our contribution to the organization; that would be our lump sum contribution to the organization, I should say, for the fiscal year 1946-1947. Our contribution is higher than \$65,000 because that figure was based on an estimate that was used for the first year's operation, the formative year of the council, which was only a ten months' year. Advances were requested from the countries to approximate what the expenses would be. Canada's contribution for 1946-1947 is set at just under \$98,000.

Q. So there would be a supplementary estimate. How is that arrived at? How are the shares proportioned; on what proportional basis?—A. By establishing, for the total budget, which is just under \$2,000,000, 300 units which are divided among the countries that are members. The largest contributor is the United States with forty-five units; the next largest contributor is the United Kingdom with thirty units; and then, Canada, France, and China with fifteen units. Each unit would be about \$6,500. There are six countries, Argentina, Australia, Brazil, India, the Netherlands, and Spain with ten units; and five countries with eight. And then they taper off to one unit.

By Mr. Fleming:

Q. I understand those were just agreed, a sort of arbitrary agreement, not fixed in relation to any known factors?—A. The starting point was the contribution made to other international organizations, such as the United Nations, UNRRA, and I.L.O., modified by a country's interest in civil aviation and several other factors that I can find for you, if you wish. There was some arbitrary element in the final adjustments, certainly; but there was an attempt to start with present scales of contribution to international organizations and modify them by other relevant factors.

By Mr. Coldwell:

Q. There was an agreement with respect to rates, a tentative agreement?—A. That does not fall within the purview of PICAQ, unless there are disputes arising out of rates. Rates are fixed by the international operators' association, "IATA". That is quite a separate organization, the membership of which is made up of operating companies and not governments.

By Mr. Fleming:

Q. My question has nothing to do with what has gone on. This is an item in the Department of External Affairs. I think most of us are aware that the Rt.-Hon. Mr. Howe, the Minister of Reconstruction, or the minister holding some of the functions attached to the Department of Transport, has had much to do with PICAQ and with the direction of Canada's interests in international civil aviation; so I wonder if Mr. Pierce could tell us what has been done with respect to the dividing line or the jurisdiction for administrative responsibility as laid down between the Department of External Affairs on the one hand, and the Rt.-Hon. Mr. Howe on the other?—A. Our interest is in the international aspect of civil aviation. I think it is in our interest to see that in any international agreement our general interests and political interests are protected, and that we do not, let us say, concede to one country rights that are not conceded to other countries and are thereby embarrassed in our international dealings. So our responsibility lies in the international aspects and not in the domestic aspects. The Rt.-Hon. Mr. Howe's interest lies, perhaps, in the two fields. He is, perhaps, interested in the international field because T.C.A. operates international services.

By Mr. MacInnis:

Q. The Rt.-Hon. Mr. Howe or his department would furnish the technical information to your department at those meetings?—A. Yes, and perhaps a little more too, because of T.C.A. experience in international aviation. We must rely a lot upon him in the drafting of our agreements; but the agreements that we have concluded in the air have been, I think, drafted in the main by members of our department.

By Mr. Jackman:

Q. Who were our delegates to the last conference?—A. The Rt.-Hon. Mr. Howe was chairman of the delegation; Mr. Symington, President of T.C.A. was

a delegate; Mr. R. A. C. Henry, chairman of the Air Transport Board; Mr. A. C. McKim, the Canadian member on the interim council of PICAQ; and the Hon. Mr. Chevrier, the Minister of Transport, was the fifth delegate. Then, we had five alternates and technical advisors in addition.

Q. I understood that this PICAQ conference is held on the governmental level and not on the company level. You mentioned that the rate fixing agreement was made by the operators, not by the countries; but PICAQ was made up of the various countries concerned.—A. That is right.

Q. Did any of the other delegations include men who had to do with the actual operating of the lines?—A. Oh yes, many of the important delegations. The United States had, I think, representatives of every important air line. In a conference it is almost impossible to develop the technical problems without the operators. The technical discussion alone requires the operators to be present. The operators organization IATA, was an observer at the assembly.

By Mr. Coldwell:

Q. The British would be represented at the governmental level?—A. I do not know that they had any—

Q. Their external air services are all under government agencies?—A. That is right.

Q. This country is in the same position. Our air services, externally, are operated by T.C.A. which is a government institution. But in the United States the situation is different because you have private companies operating trans-Atlantic and trans-Pacific air routes.

By Mr. Jackman:

Q. The American representation was made up entirely of government officials and in no case was there an operator on the council itself.—A. No, there are no operators on the council.

Q. Did we have just one man on the council?—A. Just the one man. The five I spoke of were the delegates to the assembly meetings.

Q. Did the Americans have any operating officials attending the assembly meetings?—A. Oh yes.

Q. They were in the background as advisers but not as spokesmen. We have a combination here in Canada, of government men actually being the operators.

By Mr. Coldwell:

Q. Is not that true of practically all countries except the United States?—A. Yes, I think so.

By Mr. Jackman:

Q. But the United States, as far as you recall, had no operating men on the assembly?—A. I am afraid that the definition between delegates, alternates, and advisers was pretty well rejected in the work of the meeting. It did not matter whether a person was an adviser, a delegate, or an alternate. The American operators played a useful and a prominent part in certain of the technical discussions.

Q. Do you feel that, with the governments owning air transport lines in most of the countries in the world, that there is a likelihood of international repercussions as opposed to, let us say, the United States, where the air lines are owned by independent companies without the status of government agencies?—A. If you would be satisfied with a purely personal opinion, I would not think it made much difference because you would get repercussions anyway. The air is a fruitful field for repercussions, and I would not think it would make a great deal of difference whether a nation's interest is expressed through its operators or through its own instrument. Competition in the air is going to be very keen. National interests are going to be involved, and I presume they would be backed up by a country whether it had an operator involved or not.

Mr. COLDWELL: I think rather the reverse would be true, that there would be considerably less friction.

Mr. JACKMAN: I suggest that would be a matter of political opinion.

By Mr. Jaenicke:

Q. What is the international rule of law at the present time, if there is one: if a plane of one of the member nations flies over the territory of a non-member nation?—A. It has no right to do so. The air over a country is the territory of that country, and unless the right to fly is given, there is no right to fly over it.

Q. You would first have to obtain a special permit to land?—A. Yes, or even to fly over it.

Q. Is the international organization arranging for such permits?—A. To obtain a special permit for one or two flights over a country that is not a signatory to any of the agreements that are current, the nations concerned would make their arrangements bi-laterally. But twenty-seven nations, of course, have already accepted what is called the Transit Agreement, which grants the first two freedoms, the right to fly over and the right to non-traffic stop. No further permission is needed.

By Mr. Fleming:

Q. Have we any bi-lateral agreement with Russia, quite apart from PICAQ?—A. No, I do not know of any bi-lateral agreement entered into between Russia and any country in the air. There may be some services arranged with Czechoslovakia and Poland, but I do not know of them.

By Mr. Fraser:

Q. I noticed the other day in an air mail information bulletin that the Peruvian government were contemplating services between Lima, Peru, and Canada. They would have to get permission from the different countries they would fly over, and they would have to get permission from Canada for a landing place here; and you would designate that landing place?—A. If they wish to carry traffic to or from Canada, they would have to conclude a bi-lateral agreement with Canada. So far as rights with any country that has not concluded a special arrangement are concerned, the only right arising from the general Transit Agreement is the right to land and fly over, but not take on or draw passengers. So, Peru has to conclude a bi-lateral agreement before it could exercise the rights mentioned in the newspaper article.

Q. Then they would have to make similar arrangements with the South American countries and the United States?—A. If they wish to pick up or drop traffic, they would.

Q. But if they just want to land in order to refuel, they do not have to?—A. No, not with respect to the twenty-seven members of the Transit Agreement and the nine nations which have signed the Five Freedoms Agreement.

Q. Some of the Central American countries are not in the agreement?—A. Most of them are in the Two Freedoms Agreement. According to the list of people who subscribed to the Five Freedoms Agreement—

By Mr. Coldwell:

Q. Who are they; it would be interesting to know.—A. Afghanistan, China, the Dominican Republic, El Salvador, Ethiopia, Greece, Honduras, Liberia, the Netherlands, Nicaragua, Paraguay, Sweden, Turkey, and the United States of America. The three very important ones are the Netherlands, Sweden, and the United States of America. Those three countries have exchanged all five freedoms.

By Mr. Fleming:

Q. I thought that Canada was advocating the five freedoms very strongly. Why have not we subscribed to them?—A. Because the Transport Agreement I referred to covers the completely uncontrolled exercise of the five freedoms; there is no protection at all for the regional services; it is just an exchange of the five freedoms, the freedom to take on and put down passengers with no control over the rates or frequencies at all. It was our opinion that that gave too great an advantage to the United States which was far ahead of any of the countries in the world in civil aviation as a result, largely, of the air transport services she had during the war. If countries signed that, it would mean that the competitive position of the United States would be so strong that she would have the air to herself. We thought there should be some check as to the number of frequencies that could be flown, the number of trips and the passengers to be carried, and some account taken of the rates of the local regional services. None of that is taken into account. The dispute at Chicago, about which you heard so much, was an attempt to reconcile the United States view, a completely open air travel without any protection at all, with the United Kingdom view which called for a great deal of protection.

Q. Canada stands somewhere between the two views?—A. Yes. The United Kingdom has gone over somewhat to the American view.

By Mr. Fraser:

Q. How long do those agreements last, those who have signed up for the five agreements?—A. They all have termination clauses; but as far as I remember, they all continue unless a country withdraws.

Q. If a small country came in under the five freedoms, that would give it a chance to have airports built up in that country; that is what I would judge; and then, later, it could pull out?—A. That assumes that every country would build the airport.

Q. Yes, private enterprise, or different air companies would build the airports, if they gave them the five freedoms?—A. Yes.

By Mr. Coldwell:

Q. But you would get a lot of small, scattered, inefficient airports that would not protect the passengers, if you relied on everybody; what about all the various safety devices and so on? Who is going to be the weather forecaster and put up the beacons?—A. That type of control was not the type of control they were discussing. I think, whether it is under the Transport Agreement or not, the safety control will be there, and I think it is part of PICA's job to see that it will be there. The type of control I was thinking of, or discussing under the multi-lateral agreement, was the control mainly of through operations.

By Mr. Fleming:

Q. Mr. Pierce indicated that nine nations subscribed to the five freedoms. Is that done by ratification of the convention or by nine bi-lateral agreements.—A. No, by ratification of the Air Transport Agreement.

Q. And the effect of that ratification is to bring the agreement or convention into effect as to the signatories, the actual signatories; or does it await validity?—A. No, it is binding on the signatories, as between the signatories.

By Mr. Jaques:

Q. Where does Spain stand? What has Spain agreed to?—A. Spain is a member of the organization. I cannot tell you she has subscribed to the Air Transport Agreement or not, but she has signed the two freedoms.

Q. Does the move against the present government of Spain enter into this aviation agreement?—A. No; the Spanish political question was not, to my knowledge, considered with reference to PICAQ.

Q. Up to the present time?—A. No.

Mr. BENIDICKSON: I believe most of us know that we are anticipating the members of the Parliamentary Association at 12.30. Is it the intention of the committee to adjourn so that those of us who wish to do so may attend the function?

The Acting CHAIRMAN: The committee can certainly decide that. We have still one more item with Mr. Pierce, namely, No. 47, if we are finished with No. 55. Then, Mr. Macdonnell was going to consider item No. 48. The committee can decide whether it wishes to proceed. No. 47 has to do with the Professional International Civil Aviation Organization administrative expenses.

By Mr. Fleming:

Q. It would not take a moment.—A. That is for our member on the council. Canada's full-time representative on the council is Mr. McKim.

Q. How big a staff is he going to have? Where are his offices?—A. His offices are in Montreal in the Dominion Square Building, with the offices of PICAQ.

Mr. JAKES: I understand that Mr. Anthony Eden is now in Ottawa and I wondered if, while he is here, it would be possible to ask him to sit in with us as a committee of external affairs. I think it would be a good opportunity to discuss a few questions.

Mr. COLDWELL: I do not think he would do so. He is a visitor and is not here in any official capacity.

Mr. BENIDICKSON: We would have a pretty good opportunity of getting him.

Mr. JAKES: I mention Mr. Eden because he has no official position at the present time. He is an ex-Minister of Foreign Affairs and I thought it would be possible to have him for even half an hour.

The Acting CHAIRMAN: A suggestion has been made by Mr. Coldwell.

Mr. COLDWELL: I withdraw my suggestion.

The Acting CHAIRMAN: Mr. Coldwell withdraws his suggestion.

Mr. FLEMING: Well, there would be no harm in our trying to arrange for an informal conference. I think Mr. Eden might not accept an invitation to attend a formal meeting, but it might be possible to invite him to meet the members of the committee informally and in camera. That would be greatly to our advantage.

Mr. COLDWELL: Would you not have to invite some of the other members as well? Mr. Eden holds, probably, a point of view which is divergent from that of some of the other members, and if we are to hear one point of view, we should also hear the other point of view, as Mr. Jaques himself pointed out, the other day.

Mr. JAKES: Quite! As many as you like.

Mr. BENIDICKSON: He is a past Foreign Minister.

Mr. COLDWELL: Yes, but his policy would not necessarily be the policy that is being followed now.

Mr. Low: I move we adjourn.

The Acting CHAIRMAN: It is moved that we adjourn?

Mr. COLDWELL: Let us adjourn!

The committee adjourned at 12.37 p.m. to meet again at the call of the chair.

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(STANDING COMMITTEE
(ON)

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

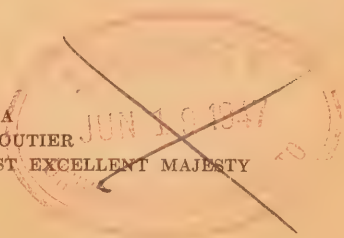
FRIDAY, JUNE 28, 1946

WITNESSES:

Mr. H. H. Wrong, Associate Deputy Minister.

Mr. R. M. Macdonnell, Third Political Division. Department of
External Affairs.

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1946



MINUTES OF PROCEEDINGS

FRIDAY, June 28, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock, the Chairman, Mr. Bradette, presided.

Present: Messrs. Beaudoin, Benidickson, Boucher, Bradette, Croll, Fleming, Jaenicke, Léger, MacInnis, Mutch, Winkler.

In attendance: Messrs. H. H. Wrong, R. M. Macdonnell, C. S. A. Ritchie and John Starnes of the Department of External Affairs.

The Committee resumed consideration of departmental estimates.

Mr. R. M. Macdonnell was called, examined and retired. He gave to the committee details of *item 48*, Canadian section of joint defence board, of which he is secretary.

Mr. H. H. Wrong was called, examined and retired. He gave explanations of *item 49*, Canadian representation at forthcoming international conferences, *item 50*, grant to International Red Cross Committee, *item 51*, expenses of the League of Nations for 1946.

The Chairman announced that Mr. Eric W. Morse, National Secretary of The United Nations Society in Canada, would address the committee at its next meeting.

On the motion of Mr. Jaenicke, the committee adjourned at 12.35 p.m. to meet Tuesday, July 2, at 11.30 o'clock.

F. J. CORCORAN,
Acting Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 28, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Now that we have a quorum, I shall call the meeting to order. Thank you for coming on a busy and a hot day to this meeting. Before proceeding, I want to thank Mr. Winkler for occupying the chair while I was away. I was visiting the mining section in northern Quebec and it was the first holiday I have taken since the Easter holidays.

This morning we shall deal with items 47, 48, 49, 50 and 51. We are fortunate to have with us Mr. Wrong and Mr. Macdonnell, who will be our two main witnesses. At our next meeting we shall have Mr. Eric W. Morse, the secretary of the United Nations Association of Canada. I have taken the liberty of sending invitations to all members and to all senators to be present on that occasion. This will be a new procedure, our bringing in a man from outside the departments of government to speak to us about some of his activities. I hope the room will be crowded at our next meeting, because it would look well.

Mr. WRONG: I think item 47 was discussed at the last meeting of the committee by Mr. Pierce; so we might start to-day with item 48 which deals with a small vote for the Canada-United States Joint Board of Defence. Mr. Macdonnell is secretary of the Canadian section and I think he might explain the purpose of this vote more effectively than I could.

The vote has been carried in the years up to last year on the war appropriation and it now appears in the main estimates. It appeared last year in the main estimates, and is repeated this year.

Mr. FLEMING: Is this the only place in the estimates where any vote for this purpose appears as being a matter entirely for the External Affairs Department?

Mr. WRONG: This is the only place. There is a hidden expenditure in the estimates of National Defence and External Affairs in that the salaries of those who are engaged in connection with the joint board are charged to normal departmental estimates. This vote is for the purpose of paying travelling expenses.

Mr. R. M. Macdonnell, Chief of the Third Political Division, called:

The WITNESS: This small vote is intended to cover only travelling expenses of the Canadian section of the Permanent Joint Board on Defence. The board meets alternately in Canada and the United States at intervals of two or three months. It might be of interest to outline—

By Mr. Boucher:

Q. As a rule how long do the meetings last?—A. Two days, as a rule. The membership of the board might be outlined. The chairman of the Canadian section is General MacNaughton. He was appointed last year to replace Colonel O. M. Biggar, who had been chairman of the Canadian section since the establishment of the board in 1940, and whose health did not permit him to

continue with that work. Then, each of the armed forces is represented by a senior officer; and finally, the secretary of the Canadian section is provided by the Department of External Affairs.

As you would expect, it is the practice of the department to assign an officer who is dealing with United States affairs. I happen to be the present incumbent. My predecessor was Mr. H. L. Keenleyside, who served as secretary from the creation of the board in 1940 up until the time of his appointment as Canadian Ambassador to Mexico.

By Mr. Boucher:

Q. We would be interested to know what your duties have been in connection with the Department of External Affairs.—A. As regards experience, I have been a member of the External Affairs Service since 1934. I have served in the department at Ottawa, and for a number of years at Washington; and I was in the Soviet Union, first at Kuibyshe, the temporary wartime capital, and for a brief period at Moscow. At the present time I am chief of the Third Political Division, which includes relations with the United States, Latin-American countries, and the Far East.

I might say a word about the membership of the United States section. It is similar to that of the Canadian section. The Chairman of the United States section is the Hon. F. H. La Guardia, formerly mayor of the City of New York, and now director-general of UNRRA. He has been the chairman of the United States section of the board since the board's creation in 1940 and, I believe, is the only original member of the board still to be serving. Then, the War and Navy Departments are represented by senior officers, and the secretary is provided by the Department of State. They selected an officer who is dealing with Canadian affairs.

The board is not an executive or an administrative agency in any sense. Consequently its expenses are small. It pays no salaries in its own right, and it employs no staff. As Mr. Wrong has mentioned, the salaries of the members of the Canadian section are charged to the ordinary votes of the department which they represent. Therefore, the only expenses incurred by the board in its own right, are those for travelling, which are contained in this item.

By Mr. Boucher:

Q. I understand there are no salaries paid to the Canadian members of the board as members of the board, but only as to their functions otherwise?—A. Quite so.

Q. The result is, that it is not exactly correct to say that the salaries of the board are paid.—A. The departments assign officers but they have many other duties.

By Mr. Benidickson:

Q. Was Colonel O. M. Biggar employed in other governmental work on a salary?—A. As a matter of fact, he was for a time director of censorship, but that appointment came considerably after his appointment to the board. He was appointed simply as a chairman who served without salary and whose expenses were paid from a vote similar to this.

The CHAIRMAN: Are there any further questions? Thank you Mr. Macdonnell.

By Mr. Boucher:

Q. Perhaps Mr. Macdonnell might give us just a short resume of some of the problems that the joint board has dealt with recently?—A. Well, the terms of reference of the board are broad. They were outlined and mentioned in a

statement that was made by the Prime Minister and the president in August 1940. The statement said that it had been agreed that a permanent Joint Board on Defence should be set up at once by the two countries and that it would consider, in the broad sense, the defence of the north half of the western hemisphere. Really, I think that all one can say by way of amplification is that any problem relating to defence can very usefully be discussed and explored by the board.

I might give as an example an exchange of notes which took place not very long ago, dealing with the disposition of surplus property. The United States forces had a considerable surplus of property which arose out of their operations on the Alaska Highway, the air fields, and so on. The question was: how best can that property be dealt with? Should it all be taken back to the United States, should it be sold in Canada, and so on. That is a problem which might not be described as being essentially one of defence relationship, but it is one in which the defence authorities of the two countries are vitally interested, and the board discussed it at a number of meetings, in an endeavour to find a formula which would be mutually acceptable. They eventually made a recommendation to the two governments as to how the question of surplus could best be handled, and the recommendation was accepted and was embodied in a formal inter-governmental agreement, an exchange of notes between the two governments. I mention that merely as an example of the way in which the board operates, and one which resulted in a published document.

Q. The work of the board is secret and on the diplomatic level?—A. That is correct.

Q. Could you tell us what recommendations they have made or what problems they have discussed, in so far as publicity could be given to the subject matter?—A. It has been the practice of both sections of the board to make their recommendations to the governments and to leave it to the governments to decide whether they wish to accept them or wish to make them public. I do not feel that I am in a position, really, to comment on that phase of their activities.

By Mr. Fleming:

Q. I take it that Mr. Macdonnell is not in a position to answer any question relating to measures of co-ordinating North American defence.—A. Beyond saying this, Mr. Chairman, that, obviously, it is the duty of the board to consider all problems that relate to defence, and to carry on joint study and discussion of those problems.

By Mr. Boucher:

Q. I appreciate your difficulty, and I do not want to get information from you that should not be given out; but could you outline for us what problems they have considered, rather than what recommendations they have made. I think I fully appreciate your difficulty; but perhaps you could enlarge a little on what you have already said about the problems they have considered within the last year or so.—A. Well, first of all, in the year or eighteen months before the end of active hostilities a great deal of the work of the board dealt with the winding up, in one form or another, of the various joint defence projects that had been undertaken. As activities slackened, there was a natural desire on the part of the United States authorities to withdraw their personnel from Canada and to turn over responsibility to the various agencies of the Canadian government. There were such problems as the Alaska Highway, the air fields on the north-west staging route, the telephone line which runs from Edmonton to Fairbanks, through Whitehorse, the disposal of weather stations erected at various places in the north, and so on.

Q. And the question of wage scales at one time.—A. The board never actually got into the problem of wage scales, although that matter was considered at various times between the two governments.

All this occasioned a good deal of work and discussion; but eventually these things fell into place. You may recall that there was a ceremony held in Whitehorse at the beginning of April, when the Canadian government took over responsibility for the highway, the land lines, the air fields, and so on. The board had been working on these questions and had made various recommendations to the governments which were eventually carried out.

Q. Could you attempt, properly, to outline for the benefit of this committee, a justification for the continuance of the Joint Defence Board, now that the war is over, and could you give us an idea of the what the future problems of the board might be?

Mr. MACINNIS: I doubt if that is a fair question to ask Mr. Macdonnell. It would be a fair question to ask of the Secretary of State for External Affairs when we come into the House, but I do not think it is a fair question to ask an official of the department—as to the justification for a board.

Mr. FLEMING: It is a question of policy.

Mr. MACINNIS: It is a question which Mr. Macdonnell should not be asked.

Mr. WRONG: I might say that when the board was established, there was a deliberate insertion in its title, by President Roosevelt and the Prime Minister, of the word "permanent", making it to read, "Permanent Joint Board of Defence", with the intention, therefore, that this board should be a mechanism for insuring continued co-operation in the field of North American defence between the two governments. I think it would be improper for Mr. Macdonnell or myself to give you more than a very general statement; but I might add that the changing character of war, as shown by the development of new long range weapons, as shown by the knocking out of Germany as a potential enemy and as shown by the redistribution of power throughout the world, makes it necessary, in the national interests of both countries, that there should be continued consultation on the problems of insuring the North American continent against the danger of attack, and the study and recommendation of various actions which seem designed to meet new circumstances.

Mr. BOUCHER: I won't press the point, but I was wondering if there was anything further that you could give us. I fully appreciate the difficulty.

By Mr. Fleming:

Q. There have been announcements in the press, and there was a little discussion in the House, not long ago, about the co-ordinating of defence, with respect to weapons and, I think, equipment. Now, if it is a fair question, did that arise out of consultations with this joint defence board?—A. That is one of the subjects which, obviously, must be considered as between the two countries, and a subject to which the board has given attention.

By Mr. MacInnis:

Q. There was some gearing of defence equipment with the United States, after the fall of France, I think. Would that be continuing?—A. Yes. The various armed forces have, in differing degrees, adopted weapons and equipment of United States standards. It is a big question and I do not suppose it will be settled in a hurry, as to what extent that trend should be continued.

Q. It would be more a question of what the Department of National Defence thought about it?

The CHAIRMAN: Yes, we will be having a discussion about that before the House adjourns.

Mr. CROLL: The minister said that when his estimates came up he would discuss it. I recall that statement.

The CHAIRMAN: Will this item carry?

VARIOUS MEMBERS: Carried.

The CHAIRMAN: Very well, carried. Thank you, Mr. Macdonnell.

Item 49: Canadian representation at forthcoming international conferences. I will ask Mr. Wrong to come forward.

Mr. H. H. Wrong, Associate Under-Secretary of State for External Affairs, recalled:

The WITNESS: Mr. Ritchie is intimately concerned with this matter and I will ask him to sit with me. He understands intimately the matters arising out of this vote.

Mr. Chairman, there was a brief allusion to this vote at a previous meeting of the committee at which I appeared and it was left over for further discussion if any member wished to raise any point about it. It is a new vote in the sense that there has been no similar item in the estimates in recent years, but it is not a new vote in the sense that the expenditure covered in this vote has not in fact been met before; but we felt that with the multiplication of international conferences it was better to vote a lump sum and have it inserted in the estimates rather than have votes for big individual conferences, because we cannot set our program at the time the estimates are framed. We do not know, with few exceptions, what international conferences are going to be called in the next fiscal year or what the nature or extent of Canadian representation at them will be. The sum of \$200,000 is, therefore, a guess, and I do not know whether it will be necessary to come back later on for a supplementary estimate or whether that amount will meet the needs this year. I cannot say as yet.

By Mr. MacInnis:

Q. This covers everything in connection with the United Nations?—A. I would not say that it covers everything, because when we have a technical meeting we may have to send some technical person down to New York to sit on a committee and that might be dealt with as a matter of normal departmental travelling expenses. It is intended to cover large conferences where substantial delegations are sent from Ottawa to attend bodies such as the United Nations Assembly, or the peace conference in Paris this summer, if there is one, and so on.

By Mr. Boucher:

Q. It would not cover the I.L.O., would it?—A. The International Labour conference is carried on a separate vote in the Department of Labour estimates. It covers in the main those conferences in which the Department of External Affairs has a major interest in organizing and administering the delegations, you might say. For instance, the expenditure on the Canadian delegation at the first part of the session of the general assembly of the United Nations in London which was held in January and February of this year amounted to some \$53,000, and that covers travelling expenses and hotel expenses in London for a fairly large Canadian delegation. At the San Francisco conference expenses were somewhat larger. For one reason, it was a longer conference. The expenses were considerably larger; the total expenditure at San Francisco was \$112,000 odd, but that sum included an unusually heavy item for telegraph charges. There were so many members of the government out there and there was a great deal of traffic, for information purposes, between Ottawa and San Francisco. All the telegrams of general interest which we received in considerable volume

largely from our own missions and from the dominion's office were repeated to San Francisco, and we acted, in fact, as a channel of communication for the British delegation there in having telegrams which we were getting relayed on to the British delegation in return for many favours of a similar nature of which we have been the recipients in the past. The real expenses in San Francisco amounted to—apart from telegraph charges—rather less than \$75,000. That is an example of the type of expenditure incurred in representation at long and big conferences.

The CHAIRMAN: When you mention the matter of telegrams for members of the government did you refer to the parliamentary delegates?

The WITNESS: Telegrams for the general use of the delegation.

By Mr. MacInnis:

Q. Judging from the amounts you have given us as regards the other conferences already held—the assembly of the United Nations in London and the San Francisco conference—it would not appear that this is too large a vote.—A. I do not think it is too large; much will depend on the program. It is a little difficult to forecast. We sometimes think that there are, perhaps, too many international conferences in prospect for this fiscal year.

By Mr. Boucher:

Q. The expenses of our representation to the peace conference would probably be paid out of this vote?—A. Oh, yes, that would certainly be the case.

The CHAIRMAN: I believe it would be interesting to members of the committee if you could enumerate the conferences you expect to take place.

The WITNESS: I have a tentative list here, although I do not know when such conferences are likely to begin.

By Mr. Leger:

Q. May I ask this question? Suppose a delegate—say Mr. Graydon who was at the San Francisco conference—wanted to communicate with his chief or with his party, would that telegram be included in these expenses?—A. No. Any vote for telegraphic expense is concerned with telegrams for the purpose of the delegation as such.

Mr. BOUCHER: Official duties.

The WITNESS: Yes, official duties.

The CHAIRMAN: Applying to any part of the delegation.

The WITNESS: Normally they are all routed through one channel, because you have to centralize the conduct of business in a delegation; it must go through a central channel. In fact, the way it works out with a big conference is that they have daily meetings of the delegation to discuss questions coming up and the attitude which should be taken, and as a result of that it may be necessary for some part of the delegation to communicate with Ottawa or elsewhere on the subject. A telegram will be drafted and will be submitted to the head of the delegation. If it is an important matter, it is approved. That is the way the delegation in San Francisco was run, and that is the way the matter was handled in London at the general assembly.

By Mr. MacInnis:

Q. A telegram that would not go through the head of the delegation would be, in reality, a private telegram in which the delegation would not be concerned?—A. Yes, I would not imply that the head of the delegation approves every telegram, but he approves the general line taken in the telegram.

The CHAIRMAN: Who decides upon the attendance at a conference? Is that decided by order in council or by an order of the government, or by parliament?

The WITNESS: It would depend, really, on the nature of the conference actually what formalities are required; but normally the delegation to a conference requires credentials of some sort to certify to the conference authorities that the people concerned are authorized representatives of the Canadian Government, and credentials are issued on the authority of an order in council. That is the normal practice. The order in council is passed, and the credentials based on the order in council are signed by the Secretary of State for External Affairs.

Mr. BOUCHER: That means that the expenses of the ordinary delegates with their staffs would be paid for by the department they represent rather than by this vote?

The WITNESS: No, in general all those who come from Ottawa are included. It would not necessarily include people who are stationed at Canadian diplomatic missions; it would not include anything relating to their expenses because they would be carried in their normal way, and they would not require any special expenditure for hotels, transportation and so on.

Now, you asked me for a tentative list. This list is mixed up—large and small—but I can give you a few examples, starting from now. There is the International Health conference which is meeting in New York now.

Mr. MACINNIS: That would come under this vote, would it?

The WITNESS: I think probably it would. I am not quite certain. The bulk of the representatives come from the Department of National Health and Welfare—the delegates and the advisers—but I think the expenses will be charged to this vote, certainly.

The next big conference—barring the yet unknown answer to the question of when the Paris conference will be held—will be the general assembly of the United Nations which opens in New York on September 3. There will be a meeting of the council of UNRRA, at which we must be represented, in Paris before then; it will not require a substantial delegation at this stage. That is for August. There will also be a plenary session of the Food and Agricultural organization in Copenhagen in September.

Mr. BOUCHER: Would the expenses of that delegation be charged to this vote as well?

The WITNESS: I think in all probability they would, yes. Most of these things have been paid out of war expenses hitherto, up to last year—not the Food and Agricultural organization. Now, of course, we are transferring everything to civil estimates. Then we have a series of meetings affecting the I.L.O., which are not charged to this vote. There is the Labour conference in September; and the governing body meets both before and after the Labour conference, and it is probable that a preparatory committee looking to the holding of an international conference on Trade and Employment will meet in London in October, and it will most likely be a long drawn out affair. The expenses will be charged to this vote, if there is anything left in the vote at that time.

Mr. CROLL: Mr. Chairman, it seems to me that for the advantage of members of the House and for the benefit of Mr. Wrong they ought to consider following the procedure of the Department of Labour who have estimates for the I.L.O. Now, here we have the Department of Agriculture whose representatives have trips to make in the course of the year and their expenses are charged to this vote. The Health Department's expenses are charged to this vote; the Department of Trade and Commerce expenses are charged to this vote. Those expenses really belong to those departments. Now, appropriations made to the External Affairs vote ought to deal with matters strictly on a very broad scale—matters dealing with External Affairs only. I think the difficulty is that we cannot follow these matters in the House, and it is difficult to explain them all over again to people in the House. We are a small committee.

THE WITNESS: I think I can throw a little further light on this matter. Except in the case of certain classes of strictly technical conferences of concern wholly or almost wholly to one department—meetings like the International Labour conference or the conference of the Universal Postal Union which is the concern of the Post Office Department—it is the responsibility of the Department of External Affairs to organize and make arrangements for delegations. We have, in fact, to deal with most of these conference delegations which include representatives of three or four or more departments. These matters have to be centralized in some way because the accounting has to be centralized; and, therefore, we provide the fund to organize these delegations, otherwise we would never get the same pattern observed, and we would find delegations going to one conference treated in an entirely different way from delegations going to another conference. I think in the interest of economy and sound administration it is really essential that there should be some department primarily responsible for these big general conferences which touch on the business of many departments of government.

MR. CROLL: My suggestion is that either you take them all over or decentralize them. I think you are right. I believe the I.L.O. conference, for instance, is very wide and affects more than the Department of Labour; as a matter of fact they are not alone affected by some of the decisions made. For that reason I agree entirely that in order to have a common pattern they ought all to be with you, and you ought to bring the I.L.O. under you.

THE WITNESS: There are certain reasons which make it difficult to achieve that result, quite apart from the fact that since the I.L.O. was established the Department of Labour has assumed those responsibilities. Under the constitution of the I.L.O. the Minister of Labour is the responsible Canadian authority, not the Secretary of State for External Affairs; under the constitution of the Postal Union of the Americas, if I remember, the Postmaster General was the responsible authority and not the Secretary of State for External Affairs. And while we are consulted on the composition of delegations and usually send to the Labour conference one or more representatives of the department to deal with what you might call the common aspects of all international organizations, the choice of the delegation is mainly arranged by the department directly concerned or the minister directly concerned.

MR. MACINNIS: Will you look at *item 51*? That would indicate that some of these organizations come under a different head: "Expenses of the League of Nations for 1946, including secretariat, maintenance of the International Labour Organization and cost of winding up the Permanent Court of International Justice." There is a much larger amount.

MR. FLEMING: Those are payments made to these organizations.

THE WITNESS: It has nothing to do with the delegations themselves.

MR. BOUCHER: I take it, Mr. Wrong, that this \$200,000 is a sum to be administered by the Department of External Affairs and that many of these delegations of international note may come within one or two departments and the Department of External Affairs must engineer and administer the delegations and also charge the cost to the various departments?

THE WITNESS: In a number of cases that is done, I think, particularly as regards smaller technical conferences. Even if we make all the arrangements, we would not bother about establishing a sort of special conference account for that purpose, and it would be carried on an expense account basis by the department.

MR. BOUCHER: This \$200,000 is primarily a vote of money for expenses that cannot officially be charged to the various departments?

The WITNESS: Yes.

The CHAIRMAN: Mr. Croll's point was a very good one: trying to standardize, if possible, the inner working of the delegations. I can easily conceive that there might be some sensitiveness on the part of the Department of Labour or some other department if you had the full prerogative as regards delegations to conferences. I suppose that is where the conflict would happen.

The WITNESS: I think in considering the composition of delegations to the Labour conference it is much easier for the Department of Labour to make those arrangements than it is for the Department of External Affairs to do so, because you must remember that employers and workers are represented on those delegations, and they are in touch with the Department of Labour directly and not with us. I would not like to suggest that the Department of External Affairs should conduct this business of organizing the delegations and making arrangements for the delegates; it is part of the responsibility of the Department of Labour at the present time.

The CHAIRMAN: Have you exhausted the list of conferences for this year?

The WITNESS: I have exhausted the list of only the larger ones; I did not touch on the smaller technical conferences where you may have only one or two technical officers travelling on expense accounts.

The CHAIRMAN: Is the committee interested in having a list of the smaller conferences?

Mr. FLEMING: No, it would be a tentative list.

The WITNESS: Yes, a very tentative list in certain respects. The date for the general assembly is set and the date for the next Labour conference is definitely set, but the others are tentative.

Mr. FLEMING: Mr. Wrong said that the figure of \$200,000 is a guess, and it is quite clearly based on last year's expenses.

Carried.

The CHAIRMAN: Which item do you want to discuss now?

The WITNESS: I might say a brief word—although I am afraid I cannot answer very detailed questions on this—about *item 50*: grant to the International Red Cross Committee. That is really a vote that previously arose solely out of the war, and this is simply a continuance of the vote, a discharge of the obligation which we felt we had to the International Red Cross Committee for the very extensive and essential services which they rendered to Canadian prisoners of war and Canadians who were interned in camps or were stuck in enemy countries. The International Red Cross Committee, I believe, has ended up with a rather large deficit from its wartime operations, and we felt that in spite of the fact that hostilities have ended we should make this small contribution toward the deficit they have incurred in some considerable measure on our own account.

Mr. CROLL: Is this contribution generous enough?

Mr. FLEMING: It looks like a token payment. I wonder if Mr. Wrong could tell us whether, prior to 1939, any annual grants were made to the International Red Cross Committee?

The WITNESS: No. The International Red Cross Committee is not a body which has much in the way of expenditures in peace time; it is wholly a Swiss body. The various Red Cross societies are connected with it, but it is wholly Swiss in composition, and its activities really begin on a large scale when war breaks out.

Mr. CROLL: Switzerland is a friendly power for everybody.

The WITNESS: Really, that is it. It was through the hands of the International Red Cross Committee that the parcels for Canadian prisoners of war passed in Geneva.

Mr. CROLL: Now, you know what they did for our people. In view of their deficit are we being generous? Are we going far enough there? These people are left with a deficit and I do not think we want to owe them anything or feel that we owe them anything. Are we being generous enough? Should we increase the grant?

The WITNESS: I think it might be desirable. We have not got full and recent information about their financial status, from the International Red Cross Committee. It may be desirable, when we do get full information, to ask Parliament for a further contribution.

By Mr. Fleming:

Q. I notice that a year ago the grant was \$40,000. How does it compare with grants during the war years?—A. For a long time we made no direct contribution because they are really a self-financing body, and that situation continued until they found that the scale of their operations got beyond their financing themselves. It was only in 1944 that we made the first grant, when we received an appeal for governmental assistance. They do not like to take governmental assistance as a rule. This is the third vote, I think, that has been submitted to parliament for the Red Cross Committee.

Q. Has there been, in connection with the previous grants, a request from the Red Cross Committee for a grant?—A. I do not think they have submitted a formal request; I think that information reached us that they were in financial need. Grants were made by local Swiss societies and various Red Cross societies. Then we learned that they could not stand the enormous strain. I think the United Kingdom government made them a grant, as well as most of the other governments, in aid of this sort of work. It was felt that the members of the Red Cross societies should pay their share, if they were in a position to do so.

Q. Do you know if any of the other countries have made grants this year?—A. I believe the United Kingdom government has made a grant. It is a little difficult to get from Geneva information about their finances.

Q. Do you know what the United States has paid?—A. I do not know. I think the United States encourages the American Red Cross Society to be generous.

Q. It is only a token payment. I do not think we can do anything about it, but I do think the government should get further information on that point because, if there is a deficit, and if the International Red Cross Committee is desirous of receiving contributions towards that deficit from national governments, we would not want to see our government falling behind in meeting its fair share.—A. I think that is true, and that it is a matter that should be looked at again. We should try to get the latest information as to the state of finances and the needs. If necessary, we could suggest to the responsible ministers that there be a new or supplementary estimate.

By Mr. Winkler:

Q. Is it not correct to say that when we had a great many prisoners of war during the war years the government could not look after them entirely, and the Red Cross did so, and that we are now merely paying to the Red Cross for what we should have paid ourselves.—A. The actual cost of the parcels and so on was met by the national Red Cross societies; and in some cases there were certainly grants in aid for this purpose. The International Red Cross looked after the administrative end, seeing that parcels got through to the correct channels, looking after inquiries about individuals and routing them through Geneva to the individual Red Cross agency concerned in the enemy country, and, of course, vice versa.

The International Red Cross had a very capable official in Canada whose primary concern was with the German prisoners of war in Canadian camps. The Red Cross operated between all belligerents in its humanitarian work, but it did not spend money directly on supplies. It administered what became a very large and complex organization.

The CHAIRMAN: Does the item carry?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The item is carried. Now, item 51. Could you deal with that now?

The WITNESS: I think so. This is the last time that the parliament of Canada will be asked to pass a vote of this nature. I think it is actually the twenty-eighth vote for the expenses of the League of Nations that has been submitted to parliament here, and it is the final one. The League of Nations has ceased to exist, except for the purposes of its liquidation, as from last April. Perhaps, with slight irony, the actual day of its demise was Good Friday.

By Mr. Boucher:

Q. Surely it was not crucified.—A. The day following the adoption of the resolution for the dissolution of the league, by the final assembly of the League of Nations, happened to be Good Friday.

About half the vote is for the expenses of the International Labour Organization because, for the purposes of contribution, under the covenant of the league and the constitution of the I.L.O., finances were merged for the purposes of collecting from the membership, and the I.L.O. only collects directly from certain states, such as the United States, which are not members of the League of Nations. So, of this vote, approximately 50 per cent is for the current budget of the I.L.O. The remainder is for the current budget of 1946, and this includes a charge of some hundreds of thousands of dollars in order to ensure that the league would cease to exist after discharging its contractual obligations.

One charge relates to the salaries of the judges of the former Court of International Justice which also has ceased to exist and has been replaced by the new court. During the war, when the going was very hard to get funds for the league and the court, the judges were paid a token sum only. Then it was felt that the league was dying and the court itself had been replaced and that there was a contractual obligation to see that the back salaries of the judges were paid. So there was quite a substantial sum in the 1946 League of Nations budget for that purpose. I can give you a great deal more in detail if any member of the committee is interested.

I think it might be interesting to have some figures of the gross cost of the League of Nations from its foundation to its dissolution. There is a slight element of estimate entering into it, because of the guess as to what would be received. The gross cost, when everything is over, for the twenty-eight years of the League of Nations existence, and covering the I.L.O. and the permanent court, will be between \$130,000,000 and \$135,000,000.

By Mr. Boucher:

Q. To Canada?—A. No, the whole sum of all the contributions paid to the League of Nations from the beginning to the end, by members, including for example, even Germany who was a member for a time but went out.

The net cost will be between \$10,000,000 and \$12,000,000, less the value of material assets of the league which are being taken over by the United Nations at their book value, the buildings at Geneva being the main item. Canada's share would be about 6 per cent, say, of \$120,000,000. Of that sum 6 per cent would be somewhere around \$6,000,000 to \$7,000,000, and that is the total cost to the Canadian taxpayer for membership in the League of Nations from its beginning to its end. About one-third of that sum would represent I.L.O. charges. Recently the I.L.O. charges have been more than half the budget

of the League of Nations. Earlier, when the League of Nations was more of a going concern, the I.L.O.'s budget got down for a few years to one-quarter or one-third of the total budget.

By Mr. MacInnis:

Q. Has any conclusion been arrived at as to the disposition of the buildings at Geneva?—A. That question is now settled, and the transfer to the United Nations of the material assets, the buildings and lands, took place about August 1.

Q. Have the United Nations made any decision as to what use will be made of them?—A. No. I think there is an intention to maintain certain of their secretariat services in Geneva. I believe that the Secretary-General, Mr. Lie, will visit Europe very shortly in order, particularly, to see what he can do, in view of the excessive congestion in New York, to keep certain technical services of the United Nations over there.

I have no doubt that the admirably designed conference rooms in Geneva will be used for some of the international conferences. I was the first Canadian delegate at the last assembly of the league, in April of this year, and I found, in contrast to the improvised but well-improvised arrangements both at San Francisco and at London, that the arrangements in Geneva were remarkably convenient for the despatch of business quickly. I am sure that many of those who had not been there before came away with the feeling that more use should be made of the League of Nations buildings.

Q. They are very fine buildings.—A. Yes, and they were not very expensive. They look very lavish, but they were constructed quite moderately. One of them is a huge building, and the total valuation placed on it, including furnishings intact, and land, is around \$10,000,000. It has a larger circumference than the Palace of Versailles, which was previously supposed to have been the largest building on the continent of Europe.

Q. The I.L.O. had a separate building.—A. The I.L.O. buildings were part of the League of Nations property. One of the decisions taken at the League of Nations Assembly was to make over, without charge, the buildings and land to the I.L.O. with full right of ownership. There was no conception, on the establishment of the I.L.O., that its membership would diverge from that of the League of Nations with the result that the property had all been held jointly in the name of the League of Nations. But now that is settled.

Q. Is there any possibility that the headquarters of the I.L.O. will be at Geneva?—A. There is quite a distinct possibility, but final decision has not been taken. It is likely to be taken in September of this year, at the next labour conference.

The CHAIRMAN: Shall the item carry?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Shall we proceed to *item 52*?

The WITNESS: I am not quite sure that I am prepared to go into some of these items which are rather technical. *Items 52, 53, 54, and 56* have still to come. I made arrangements with a certain officer of the department who is more familiar with them than I am, to appear, but I did not expect them to be reached this morning.

The CHAIRMAN: There is no other item that you would like to discuss now?

The WITNESS: No, I do not think there is anything else that I am really in a position to talk about in detail.

The CHAIRMAN: Then it would be in order to adjourn.

Mr. BOUCHER: I move that we adjourn.

The CHAIRMAN: It is moved that we adjourn. Our next meeting will be on Tuesday when we will have Mr. Morse, so bring as many friends as you can. The meeting is adjourned.

The committee adjourned at 12.35 p.m. to meet again on Tuesday, July 2, at 11.30 a.m.

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, JULY 2, 1946

WITNESS:

Mr. Eric W. Morse, National Secretary, United Nations Society in Canada.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

TUESDAY, July 2, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock. Mr. Bradette, the Chairman, presided.

Present: Messrs. Bradette, Dieffenbaker, Fleming, Fraser, Graydon, Jackman, Jaenicke, Leger, Low, MacInnis, Winkler.

In attendance: Mr. Eric W. Morse, National Secretary, United Nations Society in Canada.

The Committee resumed consideration of the departmental estimates referred, *item 46*.

Mr. Morse was called, examined and retired. He gave a detailed account of the operations of the United Nations Society, the efforts now being made to broaden its activities and to extend its membership.

Item 46 which covers the grant to the United Nations Society was approved.

On the motion of Mr. Low the Committee adjourned at 1.05 p.m. to meet again Friday, July 5, at 11.30 a.m.

F. J. CORCORAN,

Acting Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 2, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Mrs. Strum and gentlemen, we may now proceed with our meeting. We have before us this morning Mr. Eric W. Morse, National Secretary of the United Nations Society in Canada. We sent invitations to all members and senators of the Canadian parliament to be here, but I suppose, like ourselves, they are very busy. I may say we are glad to have Mrs. Strum with us this morning.

We are creating a precedent this morning in calling Mr. Morse. He is not here as a witness for any department or to discuss any estimate of the Department of External Affairs. However, we may gain something by hearing him this morning which will be useful to us in our work as a committee. We are building gradually and solidly for the future activities of the External Affairs Committee. At times we have met with problems, but I must express my thanks to honourable members for their wonderful co-operation. At times we appeared to be stabbing in the dark, but I believe that so far we have done something definite and concrete, and we are now building on what we have been doing for the last two years in so far as external affairs are concerned.

Mr. Morse, you are going to meet a very respectful and enlightened gathering who will listen to you attentively, and at the close of your opening remarks you will probably be asked to answer some questions directed to you by members of the committee. I will call on Mr. Morse.

Mr. Eric W. Morse, National Secretary of the United Nations Society, called:

The WITNESS: I thank you, Mr. Chairman. I understand that you had a meeting on June 18 when the question of the grant of \$3,000 to the United Nations Society was discussed. Mr. Hume Wrong, the Associate Under-Secretary of External Affairs, was here and he explained the practice that had been followed over several years in that regard. I have been requested to come before this meeting this morning and explain something of the purpose of the United Nations Society, its organization, its work, its plans and its finances; and I shall be very happy to answer questions at the close of my remarks.

About a year ago, at the time of the San Francisco conference, the Prime Minister was approached by the National President of our Society and he was requested to say whether in his view there should be some independent organ of public opinion created to do the work that is necessary along the general lines followed by the old League of Nations Society; and the Prime Minister was very definitely of that opinion.

The purpose of the society, first of all, is to develop an informed and realistic public opinion in Canada in support of the United Nations and all its agencies; in fact, any form of international co-operation. This society, I think, is unique in that respect, inasmuch as it is non-partisan, and it is created expressly for

that purpose. There are many other organizations, such as the Canadian Institute of International Affairs, that have a share in this particular work, but this is the only body of its kind in Canada, and we recently were granted a charter by the Secretary of State for this work.

There are two lines of operation: there is, first of all, the work of information—the feeding of information on the United Nations by every means we have—through radio, through films, through pamphlets, through public speakers; to let Canadians know what is being done by the United Nations, not simply the security council or the more dramatic aspects, but the quiet work that is being done behind the scenes by the Economic and Social Council, the Food and Agriculture Organization, the Fund and Bank, and other organizations that are being formed.

Now, up to this point it is largely a work of adult education, but the United Nations Society aims to be more than just an adult education organ. The government needs to have behind it—and I know I am speaking to a body that is well aware of this—an active, thinking public opinion in support of what the government ought to be doing; and the government can act only in response to that public opinion. There is a certain section of the public which makes more noise than other sections. Perhaps some of the more noisy sections of public opinion are not those to whom we should look in the country for support of the United Nations charter and its commitments. It is possible to anticipate, if sanctions were imposed on some particular nation, that there would still be elements in the country who would not be so keen to have our commitments upheld. It is the purpose of this Society to organize—it is not just creating public opinion—public opinion in the country among those who have a more responsible point of view, and are anxious to see that our commitments under the Charter are carried out. You have then two distinct parts to this work: one is to inform the public, and the other is to organize right thinking people, in support of strong government action, not that the government needs any prodding at the moment, because it has given a magnificent lead to Canadian public opinion throughout the country ever since the San Francisco conference.

That, briefly, is the purpose of this society. We find in our work with public opinion that the real enemy is not antagonism to the United Nations, but it is inertia and apathy. In our contact with the public we find that there are five main objections among those who are opposed. I do not know whether you would be interested in knowing these attitudes:

First of all, there is a group of people who are isolationists and who feel that international co-operation is futile, *per se*; these probably never will be in favour of any form of international co-operation.

Then you have another group of people who at one time were internationalists but “once bitten twice shy”; they have not recovered from the shock of the League of Nations, the League of Nations Society, and the disillusionment of the twenties and thirties; they seem to feel that any organization that is trying to bring about international co-operation automatically will be pacifist. They are prejudiced, and you cannot do much with them.

Then there is a third group who are all for international co-operation, who understand what it means and its possibilities, but who feel it is futile at the moment because of Russia. They are pessimistic about our being able to do anything. They are largely, I think, business men who have not thought this thing through. I will say in parenthesis that when we approach these people for support they are possibly only looking for an excuse not to contribute support, and perhaps these opinions are no more than excuses. However, this is one of the attitudes that we run into. Then we run into a fourth group which is more numerous than the others, and these are the people who believe that international co-operation is necessary, and that it is even necessary to organize some sort of public opinion behind it, but they say it is not the work of a separate, independent

organization, but is the work of the government. They plead that the government signed the San Francisco charter and sends delegates to various conferences, so why is it necessary for any independent organization to be formed; why is it necessary to organize public opinion at all? If this work is to be done, they deny that it is work for individual citizens. The fifth group is composed of a body of well meaning and sincere people who feel that we are not even taking steps in the right direction. They say that we are barking up the wrong tree, that the answer is world government, and that we should have another San Francisco and start all over again. These are the points of view we run into.

May I sum up our purpose. We are not trying to create public opinion; public opinion is largely created; but we are trying to organize it and inform it, and it is inertia and apathy that we are trying to overcome. In amplification of the aim or purpose of the Society, perhaps I might read at this point from a little leaflet I have here, which indicates what the United Nations Society in Canada is trying to carry out. I shall give copies to the members of the committee; reading from page 3, the following is the Society's seven-point program:—

1. With a view to making articulate every public-spirited citizen's desire for peace, the organization of Branches in all the cities and leading towns in the country.

2. Through a literature service and monthly bulletin, the supplying and advertising of authoritative, up-to-date reading and graphic material on U.N.O. and all its special agencies (F.A.O., UNESCO, etc.) and also UNRRA and I.L.O.

3. The dissemination of information and discussion of current topics through speakers, public forums, radio, and films.

4. The providing of a special service for youth and students, by working through teachers, universities, and Departments of Education.

5. Active co-operation with service clubs, churches, labour groups, and all other organizations who realize the importance of co-ordinating education for peace.

6. The formation within the Society of special committees and groups devoted to study of particular aspects of international affairs, economic, social, and political, and the publication of their findings.

7. Fostering understanding, unity, and non-discrimination among the various races in Canada, and pressing to uphold within the country the principles and ideals of the United Nations Charter.

So much, Mr. Chairman, for the purposes of the Society. I shall just say a word about its organization. I do not suppose there is anything novel about this; it is typical of any such body. First of all, we hold an annual meeting in different centres, the last one having been held at Ottawa in May; but meetings may be held at Toronto or Montreal or Kingston or at any other convenient point; and at these meetings we discuss policy and elect officers. Our membership is not restricted in any way. Anyone who believes in the aims and the work of the society and pays the required fee is eligible for membership. We are not trying to have just a small closed group; we welcome the support of any public-spirited citizen who feels that he should not leave it to the other fellow and is prepared to contribute the necessary wherewithal to carrying out these things. There are ordinary individual memberships, there are life memberships; I may say that the individual membership charge is a minimum of \$2, while the charge for life membership is \$500. Then there is corporate membership for an organization having twenty or more members, and the charge there is \$10; or if there are less than twenty the charge is \$5. These are the kinds of membership. The body of officers—and I am glad to say that there are some present—is non-partisan in character. Our newly elected national officers are: President, Dr. James S. Thomson, of the University of Saskatchewan, who was chairman of the C.B.C.; first vice-president, Dr. B. K. Sandwell; second vice-president, Dr.

Norman MacKenzie, president of the University of British Columbia; third vice-president (and also a member of this committee) Mr. Louis Beaudoin, (Vaudreuil-Soulanges). Our honorary vice-presidents include Mr. Graydon, who is present, Mr. Coldwell, the Hon. Paul Martin, Senator Hugessen, and Mr. Tom Moore. These officers are chosen from across the country, and represent our branches in the different large cities. Branches number about twenty at the moment. Particularly active branches have been formed in Montreal, Toronto, Winnipeg, Calgary and Vancouver. I shall speak of their work in a moment. There is a national office at 124 Wellington Street, the staff of which consists of the National Secretary, a director of literature service, and a clerical staff of three.

I wish to emphasize all the way through my remarks that we are only at the stage of organization. This last year we have been concentrating on building up an organization from coast to coast, and as it becomes financially feasible there will be added to the national office staff a director of youth and student services, a research editor and at least three organizing or field secretaries, one in the west, one in Ontario and one in Quebec and Maritimes.

I have spoken so far of the purpose and the organization. Now, I propose to go on and discuss the work, including what is planned. I am trying to make a distinction between the two.

First, of all there is and has to be, in order to carry out the work of giving information, a literature service, and this is now functioning. We are not doing this for profit. We feel that it is very necessary if we are going to organize public opinion at all, that there must be available adequate information. There is a director of literature services. The bulk of the material that is sold, 75 per cent of it, is in the small-pamphlet field, costing 25 cents or under. About 30,000 free booklets and leaflets have been distributed during the course of the last ten months or so, to groups, schools, individuals, and anyone who comes along. Besides that we have distributed, with the Canadian Information Service, something like 800,000 copies of the book entitled "World or War?", presenting in graphic or chart form, the organization of the United Nations.

We have a small library here in Ottawa, across the street from the House of Commons, and we are hoping to build it up eventually to be the best library on the United Nations in Canada. Members of Parliament and government departments have access to it.

We should be operating, but we have not the staff to do so at the moment, an information service on the United Nations. At the moment we co-operate with the Department of External Affairs. People will write in and ask for various facts in connection with the United Nations, and the External Affairs Department takes care of most of such inquiries. But when we get the staff we plan to do so. Our library co-operates closely with the libraries across the country and with Departments of Education. Finally, we have the sole wholesale agency for the distribution of documents of U.N.R.R.A. in the country and we are, at the present time, negotiating through the Canadian Information Service and the External Affairs Department for the sole distribution in Canada of all United Nations documents. This document and information service is being organized in New York.

Secondly, there is the "United Nations News" which, at present, is a very modest publication consisting of about eight pages and coming out monthly. At present, without a staff large enough to permit a man to be on this work full time, it is far from what it ought to be, merely make-shift, something that summarizes what has happened in U.N. during the course of the last month, something about the work in the Branches, and editorial and a department to advertise or make reviews of new books, booklets, pamphlets, and free material coming out during the past month on the subject of the United Nations.

At the present stage, and I suppose at all stages, we have to work very closely with existing organizations, to co-ordinate the work of education for peace. Taking up some of the more notable bodies with whom we co-operate in order: first, there is the Canadian Institute of International Affairs. The Institute, by its constitution, is precluded from supporting any particular point of view. On the other hand, they do have a public educational department and they are interested, just as we are interested, in trying to raise the standards of understanding in international affairs and interest in international affairs in the country generally. At one time the League of Nations Society built up a general information service here. At that time the Institute was not in that field; but now it is, and in order to avoid overlapping, we have worked out a formula whereby the Institute looks after general international affairs, and has an information service in Toronto, while we concentrate on United Nations and its agencies. We advertise each other's material, work together wherever we can in the general field of international affairs, and make reading material available to the public.

We have joint meetings with the "Citizen's Forum" from time to time in the various Branches. Such meetings have been held in Ottawa, Montreal, Toronto, and in some of the western cities. Similarly, we work closely with the Canadian Council of Education for Citizenship, and the Canadian Association for Adult Education. The Canadian Legion is another group with which we should be working more and more closely. At the moment we contribute to the "Legionary", the organ of the Canadian Legion, a "World in Review" summary of international happenings of the past month.

The National Film Society is another group. I am not now attempting to go too fully into these, but if you have any questions, I can go into them more fully later on. We are a member of the National Film Society and we are trying to work out a film program for our branches across the country, because we feel it is very necessary to make use of every possible medium.

Only a few people appear to be susceptible to learning through political pamphlets. We have to appeal also to the "comic-strip" type of mind, by making use of graphic material and films; we are working with the National Film Board to distribute films on the United Nations.

We have a very close and, from our point of view helpful, relationship with the Department of External Affairs, which has a publicity department under Mr. T. W. L. MacDermot. We also co-operate with the C.B.C., and they have been most helpful in working out programs with us. We have had two or three trans-Canada broadcasts, from which we reached the conclusion that there were great numbers of people whom it is very hard to get at, not people who live in big cities but who live in small towns and out in the country. They have more time, fewer rival interests, and they like to keep in touch with what is happening. It is only through the medium of the radio that we are able to meet these people. After any large broadcast we always have many letters from across the country asking: how can we learn more about the U.N., and how can we organize something among ourselves. By means of our larger branches taking over areas around them, and by putting men out in the field, we can organize such groups in a better way than at present.

I am trying to point out what we are not doing as well as what we are doing, and that it is very necessary to do more and more. When we come to the financial aspects, I should be glad to have your views on these points.

We have organized in our main Branches, Speakers' Bureaux, particularly in conjunction with local universities. We invite men and women to speak on United Nations topics, and we notify service clubs and other such organization, such as Church groups, labour groups, and neighbouring towns that speakers are available. Occasionally we send speakers right across the country. Dr. Sandwell

recently went across to the coast and spoke at a number of places. We have had three or four people do so during the past winter, and we plan to function more actively in this field during the coming winter.

I have so far been discussing more the national aspect; but in our branches we come into closer contact with the people. The Society tries to get people interested in international affairs from the broadest possible angle. We discuss such topics as Russia or the latest political trends in various countries, tying them all in some way into the central subject of world organization.

Generally speaking, the branches put on meetings about once a month. Sometimes they have a forum and sometimes a town-hall meeting. Sometimes they carry on a debate, or through local broadcasts, try to focus attention on some topic of the time such as the Iranian crisis, the Spanish case, or some contiguous subject, and try, through discussion, to formulate public opinion, or to gauge it and to see what the feeling is. This will be the work of the Branches more and more.

A new development to let the people have a more active part in the United Nation will be through study commissions; I do not mean study groups, I think that study groups, to a large part, have had their day. People are frightened off by the word "study". That was all right in the case of the League of Nations days, but now the need is for public meetings and large forums. There is still a field for small groups of people who know something about the subject to get together, so we are setting up a system of study commissions in the different Branches, each of which will take up a particular angle of the United Nations; one might be the security angle, another would be the Food and Agriculture organization, another the Atomic Energy Commission; the commissions will keep abreast of developments, and their findings will be published monthly in the United Nations News. They might also be the subject of broadcasts in the local branches.

As well as local broadcasts, again, we hope to work out in co-operation with the C.B.C. more broadcasts in a regional area or, perhaps, trans-Canada broadcasts on the United Nations. On our suggestion, the C.B.C. brought out an excellent program with which I think most of you are familiar: "Progress towards Peace", at 8.45 each Sunday evening, with varied speakers, some in England, some in the States, and some here, about what has been happening in the United Nations. I think there is a great deal more to be done in that field.

In French Canada, we plan, in line with the main purpose of the Society, to work for a united nation in Canada. There must be in Quebec, not necessarily a separate organization, but a more autonomous organization than, perhaps, in the case of ordinary Branches, in order to work into the smaller towns and villages in Quebec. Mr. Beaudoin is initiating that work very largely.

With a view to building up understanding with other nations, we have an overseas correspondence department that works through schools. Ultimately it will be the work of the Society to encourage teacher and student exchanges to help foster understanding of other people's points of view.

A work we have not yet started, but which we hope to start this coming year, is in the whole field of youth services, a very important work. We can touch directly only the fringe of it, but can do much by working through universities and teachers. University curricula are so crammed and telescoped, especially for the returned men, that it would be inadvisable to set up just now another group which would take up their time; but by working through political science clubs and other existing discussion groups on the campus, we hope to do a good deal of work in that field. Again, there is the normal school, perhaps one of the most important means of getting in touch with the whole problem.

The American Association of the United Nations has done a good deal of work with teachers in the United States. We plan to launch something similar in Canada called Teachers' Institutes to be held in conjunction with the Institute

of International Affairs and local universities. There will be semi-annual week-end meetings, held at several points, with a view to getting the teachers together, "indoctrinating" them through a very broad approach to international affairs, and letting them know what information is available. Something like that we hope to work out very shortly. Then again, we plan to work through the Departments of Education. Our new National President, Dr. Thomson, has close connection with all the Departments of Education. Special literature must be brought out and produced for youth and student work. That is a costly business and demands separate staff; but it is very necessary.

A work we have not been able to get into yet is the production of graphic material and U.N. literature by having a man on the staff, a research editor, for the actual writing. This, as I say, is one of the most expensive lines of publicity into which you can get. We must not preach only to the converted, but attempt to make easy of understanding some of the features of the United Nations, to as many types of people as possible, just as the Film Board and the Wartime Information Board did so well during the war.

Finally, we come to the World Federation of United Nations Associations. Most of you know about the old world federation of League of Nations societies. There have already been meetings held in London and in Paris. Later this month a congress will be held in Luxembourg. U.N. Associations are being gradually formed in each of the member states. So far there are such associations in Britain, China, United States, and in the other dominions. We have, in Europe, organizations in Belgium, Holland, Denmark, France and Switzerland. You may be interested to know that they have even been formed in Yugoslavia, Czechoslovakia, and Poland. Only last week I received a letter from Iceland asking how we had proceeded in Canada in this regard, and saying that they wanted to form a similar group there.

One of the necessities in United Nations, is that the government has to do the work. The government is the body charged with carrying things out. There ought however, to be more popular contact with the United Nations. In fact, it has been suggested that there be a peoples' section. We are not acting on that yet, but we are exploring the question, feeling that through the World Federation of United Nations Associations we may be able to emphasize that angle. There should perhaps be reporters and observers at the meetings of the United Nations, thereby bringing the people of the world into close contact with the work of the United Nations so that they need not always have to see it through the governments' eyes.

I come to the end of the actual work the U.N. Society is doing and planning to do, and I wish finally to go into the question of finances, in which question you are probably more interested than in the others. The society is very interested in your views on this matter. We are operating at the present time on a rather modest annual budget of about \$15,000, or about \$1,250 per month expenses for the national office. Apart from that amount the Branches are of course, spending a good deal locally.

The American Association of the United Nations in a country with twelve times the population of this country, and with a membership about four times as great, I understand, operates on a budget of about \$185,000 of which \$85,000 is for the production of literature, and about \$100,000 for the actual office expenses. We estimate, that to do a job of this kind in Canada we should spend about \$65,000 on the actual national office expenses and perhaps another \$35,000 for production of literature, or, let us say, \$100,000 a year to do the job reasonably well in Canada, plus amounts spent locally by branches.

There are three sources of revenue that we have. There are government grants, such as the one you have discussed, of \$3,000. That at the moment makes up one-fifth of the total budget. Then, the main source of revenue is membership, at \$2, running up to \$10 for corporate membership. Finally, there are donations from large corporations, banks, business and other groups.

A very important decision has to be reached in this regard. Should such a society be government subsidized or should it be completely independent? I might say that in Australia, unless it has changed its policy, the organization there is completely government subsidized, so they are able to go right into the field with a large sum of money to put on a big publicity campaign.

The policy that has been followed by the United Nations Society so far, and we hope to work it out, is to be independent, or practically independent of government subsidy. The advantage lies in the long range view that where you have independence you will have, undoubtedly, more vigorous support from the public, and you avoid being accused of being merely another government propaganda organization. Rightly or wrongly, that is the belief at the present. The disadvantage of independence is that you are not able to get into the field as quickly as you could if you had a large sum of money for the publicity work that is necessary. One has to make a big splash and shake the public out of their apathy. To do that requires a great amount of money. You cannot move along just the one line; you have to operate on two parallel lines, one is local activity and the other is money. By putting on a bigger program you get more money; and by getting more money you are able to put on a bigger program. So you have to operate along those parallel lines and that delays progress. In other words, money cannot be done until some work has been done.

The coming year will be decisive in this regard. If it proves to be a failure, we will have to recanvass the whole situation. As things stand you will see, if you add it up this way, that you require to have something like 100,000 members in order to finance yourself and maintain your independence. On a budget of that size, a \$3,000 grant from the government would be largely negligible. I shall come to that in a moment. You have to make up deficits until you reach 100,000 membership, by means of grants from large corporations. We have been fairly fortunate in that regard. A few firms have contributed generously up to \$1,000, and even have promised to do so for another two years; but you cannot count on this for very long. It just happens that at this particular time, it is easier to get such donations. They are free of income tax, I may say. But we have to look ahead to the point where we shall have to finance the society completely from memberships.

So far as the government grant is concerned, I understand you went into that matter fairly fully about two weeks ago. It was considered as a League of Nations Society grant. Under the League of Nations Society, certain documents were furnished to members of parliament, and as soon as such documents are available, we will be glad to do the same.

In conclusion, I have been trying to emphasize, not so much what we are doing, because I am conscious of the many things we ought to be doing but are not able to do because of lack of funds at the moment. I have been trying to concentrate on the question of what there is to do, a very big task in which all of us, and most of the responsible organizations in the country, are pulling together. I will be glad to have your suggestion either at this meeting or in writing at any time. I wish also to emphasize our desire for complete independence if possible, in the honest belief that it is in the best interests of this work to be independent at all times. There is, however, a real urgency. We have lost time, and we are continuing to lose time the further we get from San Francisco. The public needs a large educational campaign, which requires a lot of money. If we fail to do what is necessary during the next year or so, we must re-assess the whole situation; but we are hopeful that we can continue along those lines. The most important thing to-day is that this work has to be done by somebody. If we cannot do it this way, we must try by some other. I thank you, Mr. Chairman, and the members of the committee, for this opportunity of coming before you, and for your display of interest.

Applause!

The CHAIRMAN: Thank you very much, Mr. Morse, for your fine speech. Now, I believe the meeting is open for questioning.

By Mr. Graydon:

Q. May I ask one question of Mr. Morse. You spoke about the American United Nations Association. What relationship does that association bear to the American Foreign Policy Association?—A. The American Foreign Policy Association, as I understand it, is a body that in function falls between our Institute of International Affairs and our United Nations Society. The F.P.A. is an independent body whose aim is to foster understanding on international affairs, generally in the U.S.A. It is not pledged to any particular point of view. I am sure that its constitution precludes it from supporting a point of view, just as with our Institute. The American Foreign Policy Association operates in the whole field of international affairs, whereas the American Association of the United Nations has the same aim as our own, that is, to develop and organize public opinion along one particular line.

Q. I had come to the conclusion that in the United States there was considerable danger of overlapping between the American Foreign Policy Association and the American Association for the United Nations. The American Foreign Policy Association held a meeting which I had the privilege of attending. It has branches in all main American cities and headquarters in New York. I take it that their field would cover the United Nations work because at the meeting which we attended, Senator Warren Austin, who is the voice of America on its council, was invited as guest speaker to talk about United Nations activities. I was just wondering whether or not the possibility of overlapping comes into the picture. I know that it is none of our affairs here, but it might be a guide to our own work in Canada. It is hard to separate an organization that deals with broad aspects of international affairs from the sort of organization that would deal only with the United Nations because, after all, the United Nations does take in pretty well nearly the whole gambit of international affairs, into its jurisdiction.—A. It is a particularly fine and well-organized group that has been operating for a long time. We have no quite comparable body in Canada. Our Society has no limited membership but is more or less precluded from wandering too far afield in foreign affairs. But, on the other hand, you have no rival organization in Canada.

Q. Our problem is not nearly so acute as their problem, with respect to overlapping.—A. That is an interesting point. In the United States, from what I could see when I was there about six months ago, they have a variety of small organizations supporting different angles of international co-operation. They have, for instance, more than one world government Association and an almost sectarian approach which rather tends to confuse public opinion in this whole field. We have so far been fortunate in avoiding that in Canada because, after all, we are all working towards world government in the long run.

Q. There is a great danger of confusing of public opinion.

By Mr. Low:

Q. How did this organization get started?—A. There was the old League of Nations Society, and in May, 1945, it met in Toronto and changed its name. We now have a different set of circumstances although we started working through the old League of Nations Society Branches. We are becoming organized on a new basis, although we are, I suppose, still the offspring of the old Society. Otherwise, you would have had the handicap of having to organize from the ground up.

Q. Well, I was wondering as you stated the different purposes and the work that has been done, whether anything was being done to strengthen the British

Commonwealth. You did not mention that. I am anxious to know something about that phase of your work.—A. The Commonwealth is in the general field of international affairs and our aim is to develop and formulate public opinion in particular support of the United Nations. We are neither for it nor against it except as it affects the United Nations. It falls outside the field of our work. I am sorry that I have not got with me the statement of objects of the Society, but in the objects the words "British commonwealth" are actually mentioned, indicating it as a necessary part of international order.

Q. Why is not something being done to increase or strengthen the effectiveness and prestige of the commonwealth or something comparable to it, by your body, when it is generally known and conceded that this very great voluntary organization has demonstrated, time and again, down the years, that it is a much more effective form than any formal well-organized organization could possibly be?—A. There is, I think, a Royal Empire Society in Canada whose special aim is to foster empire relations. But empire relations fall into the broad field of international affairs and are therefore outside the scope of our central purpose.

Q. Is it not true that some members of your organization, particularly Mr. Sandwell, advocate the surrender of sovereignty to some mythical super-national government?—A. I do not think, Mr. Low, that Mr. Sandwell is particularly in favour of that, nor is any officer of the Society. I have been trying to avoid saying anything confusing on this point. So far as world government is concerned, we feel that that is undoubtedly the ultimate aim. May I read a resolution that was passed at our last annual meeting in May on this subject:—

WORLD GOVERNMENT—While we believe that the ultimate goal to be attained is world government, and that this Society should seek at all times, by constructive criticism and recommendations, to attain that goal, we affirm that our only immediate hope for its consummation is through the Charter of the United Nations. We urge therefore the fullest public support, in Canada, for the Charter, as the only policy practicable under present conditions.

Q. You mentioned that the purpose of your organization was to foster an understanding of international co-operation and you said, I think, that this was not world government. Now you read to us something which will indicate that what you are working for is world government. Am I to believe that your purpose is to foster the spirit of international co-operation?—A. Yes.

Q. Or is it to lead, eventually, to world government?—A. Let me put it another way.

Q. But I would like an answer to my question because I regard it as an important matter.—A. In the United States you have had a confusion of public opinion because some people favour world government and some people favour the United Nations. The world government people in the United States say that you should scrap the United Nations Charter and start all over again at another San Francisco. The U.N. Society here has taken the point of view that we are all going down the same road and that the ultimate aim is world government. In any case, we must work with what we have, the United Nations. We believe that world government may not come about for a long time, and until we get it, we have got to work with what we have, and we are not trying to make a distinction between the two.

Q. That bears out my contention that the most effective demonstration the world has ever seen of international co-operation, the commonwealth, is being completely ignored and relegated to the background or limbo of forgotten things, and that the whole of our people are being indoctrinated with enthusiasm for a type of international co-operation leading to world government that weans them away from the loyalty towards and sovereignty of their own country towards a super-national type of government. That is what I object to.—

A. I think, if I may say so, that you have been over-emphasizing. Our ultimate goal is that. We are not, however, trying to tell people that they have to work towards a super-national state, but that we have to work through existing organizations and existing factors that we have set up. You have a microcosm of world organization in the empire commonwealth and you have to work through all such organizations, through the balance of power, and through every existing means. We recently gave very wide publication to a booklet entitled, "Canada, and World Security" by Major Vincent Price, President of our Toronto Branch, whose theme is just what you have said. It met with a great deal of interest. As a matter of fact, we should prefer to work for the Commonwealth, and not to over-emphasize super-national authority, because for the present it is more practicable.

By Mr. Jackman:

Q. Is not your objective that of international peace rather than world government?—A. International co-operation, yes.

Q. The United Nations Association is an organization which endeavours to bring about world peace; and if we have agreed with other nations not to do certain things which may be considered, by some, as self-abnegation of our sovereignty—the main thing is to have peace and to live with one's neighbour if we can do so on reasonable terms. But if we cannot, we must go our own way and have periodic war every twenty-five years. I have fought in three wars and I do not want to see any more.

Mr. Low: Neither do I.

Mr. JACKMAN: There is no greater agency for world peace than the British Commonwealth of Nations and I would not want to see it scrapped. I should certainly say we are seeking our ends by a very wrong means. I doubt very much if there is much difference between what I am saying and what you are saying, Mr. Low. I know that your party stands for what many of us think, and that the difference is largely a question of accent. I think that world peace and a national form of sovereignty should be jealously guarded. But I would be surprised if you guarded it so jealously that you would not be willing to agree with other nations that certain things must be given up in order to ensure peace.

Mr. Low: I am quite prepared to grant you that particular forms of co-operation, international co-operation, are desirable, that is, if they have, as their objective, world peace; but, if they have as their objective something altogether different, then I do not think they are desirable. That is my point of view.

Mrs. STRUM: I do not think we have any difference in the matter of our aims; but I think we all have seen the futility of depending upon a closely knit empire to defend us and to prevent war. We have experienced the commonwealth type of thing and the empire type of thing, but it has not done a thing we want to do. It has not failed to prevent international misunderstanding and international conflict so I think the United Nations Association should endeavour to find a new method.

By Mr. Jaenicke:

Q. I presume that the policy of your Society is determined by its membership?—A. Right.

Q. What membership have you just now?—A. In total numbers, about 3,000, of whom 10 per cent are corporate members.

Q. Are the donations which you receive considered as members? Suppose you get a donation from the Imperial Oil Company of \$1,000?—A. They become a corporate member. As I have said, about 10 per cent of the total membership as the present time is made up of corporate members. We have been organizing in the Branches as a first stage. Now the bigger branches are holding big membership campaigns beginning this coming fall.

By Mr. MacInnis:

Q. What representation would a corporate member have at your meetings?—A. Each corporate member is entitled to have one votin'g delegate at the annual meeting.

Q. Would an organization such as the Chamber of Commerce, the Motor Trade, or the Labour Congress be considered as a corporate member?—A. If they agreed to take out corporate membership, yes.

Q. We have before us this item, an item in the estimates, of a contribution to the League of Nations Society or the United Nations Society; and what we have to do, I imagine, is to come to a conclusion as to whether or not we should approve this item. In order to reach an understanding on that, I imagine we must base it on the fact whether we believe that the United Nations itself is a desirable thing; and the next thing is whether the United Nations Organization helps to fortify and develop the work of the United Nations. I do not want to get into a controversy about this matter, but I do believe that the United Nations Society is a step in the right direction. Whether that step will be effective or not, will depend on further developments. If it is not effective, the outlook for world peace and for any security at all is very dark indeed. I do not think there is anything we can do other than to endorse this item.

I think that national governments were formed by people agreeing to give up certain of their individual prerogatives which they hitherto exercised; and if we are going to have an organization which will maintain cooperation and understanding between nations, then nations will have to give up some of their sovereign rights, the right to do as they please at any particular time. I think that this committee will very largely support that point of view. I am very much in favour of supporting this amount. I think that the point which was raised at the other meeting when this item was discussed was whether or not it was large enough. I imagine from what Mr. Morse has said that he thinks at the moment it is satisfactory until further developments take place.

By the Chairman:

Q. Mr. Morse, you mentioned in your speech that you had the sole distribution of U.N.R.R.A. literature and also United Nations documents.—A. Yes, for U.N.R.R.A. literature; we are at present undertaking negotiations with the Canadian Information Service to obtain distribution of United Nations documents in Canada.

Q. Will that mean any income to your organization, or just more work?—A. It will likely be a liability, in that we will have to accept responsibility for the distribution of these documents. We feel though that it is the sort of thing we ought to be doing in furthering our purposes and aims.

By Mr. Graydon:

Q. How does the total membership, about which Mr. Jaenicke was asking you a few moments ago, compare with the highest total membership under the old League of Nations Society?—A. They reached a peak of 15,000, I believe.

Q. That seems to be a very very small number of people. Might I suggest that the organization needs a wider membership. I believe that a membership of 3,000 is too small for an organization which affects eleven and one half million people.—A. As I said before, it is difficult until you get into the field and start doing something. Until that happens, people will say: "Who are you, and what are you doing, any way?" So, you have to go through at least a year of organization. Most of our Branches are optimistic that we can raise our membership to 100,000 very shortly.

By Mr. MacInnis:

Q. Do you find the failure of the League to be an obstacle in your development?—A. When you approach some businessmen, they say: "Look at the old League, it failed." We do encounter that to some extent.

By Mr. Jaenicke:

Q. Do your branches do any organizational work in their particular districts? I think it would be well to reach out into every small town throughout the whole of Canada, but that would be too much work to handle through the central office here. Are your branches instructed to establish new contacts in smaller towns and villages?—A. They are doing so. Toronto branch has taken over a broad swath right up to Sudbury; and each of the Branches, as it becomes organized, takes over a large metropolitan area and organizes smaller branches who, in turn, will work out from there, pending the time when we will have an adequate field force. Montreal, Toronto, Ottawa, and certain western branches are taking over adjacent areas starting next fall.

By Mr. Fleming:

Q. Emphasizing Mr. Morse's statement as to the necessity for extending membership, could Mr. Morse tell us how many members of the present parliament are members of the association?—A. About twenty-five or thirty.

Q. Including the honorary officers of the society?—A. No, I mean actual paid-up ones. I sent a letter to all the members of parliament and of the Senate last fall, and that was the response.

Q. It shows the need of carrying on the educational work of the society.

Mr. Low: Would it not be wiser if you canvassed personally the members of parliament? I know that if someone came to me and solicited it would mean more than just to receive a form through the mail. I should be happy to become a member, a paid-up member. Members of parliament receive just reams of stuff through the post office every day and they have not time to read it all. Much of it has to be consigned to the waste basket.

The CHAIRMAN: Mr. Morse stated that he was proud of the fact that the association was non-partisan and absolutely independent from governmental activity. That implied that it was intended there should never be government supervision. Personally, I believe that the amount of \$3,000 is well spent. In the future it might prove to be a small sum, and, as Mr. Morse has stated, after thorough inquiry, you may have to rely more upon a government grant. You are doing good work on behalf of international unity and the peace of the world and you want to keep clear of any interference from governments.

By Mr. Leger:

Q. I wonder if Mr. Morse could tell the committee whether there is any organization in the maritimes?—A. There are branches that are gradually being organized in Halifax, Saint John and Moncton. They have started, and we hope to get down there to do that very work this fall.

Q. Was Mr. Beaudoin down there for that purpose last winter?—A. No, he went down I believe, for the Institute of International Affairs.

Mr. MacINNIS: There are two points that seem to me rather important. I may not have the exact words, but I believe Mr. Morse said that people no longer are capable of being informed by political pamphlets, information pamphlets, so they must use cartoons and comic strips.

Mr. GRAYDON: He just used the word "comic strip" to indicate the pictorial aspect of it.

Mr. MACINNIS: He said that people are not capable of being informed by political pamphlets.

Mr. JACKMAN: That is a universal tendency.

The WITNESS: You will reach, perhaps, only 10 per cent of the people through the medium of political pamphlets; and in that case you are preaching largely to the converted. But we are thinking in terms of the people who have the "comic strip" type of mind, such as those to whom advertisers are appealing in making use of graphic advertisements. I think we should reach all types of mind.

By Mr. MacInnis:

Q. When you spoke about study commissions I think you said that people were scared off by the mere mention of the word "study groups." That has a very disquieting connotation at least in my mind. I imagine the difference between a study group and a study commission would be that a study commission would be composed of a few experts who would discuss matters and then gather their information and pass it on to the people who formerly got their education through study groups.—A. Yes, there are the two different groups of people that one must think of. On the one hand, you have the academic group who already have knowledge of such affairs, and on the other hand you have the man on the street; so you must have both lines of approach. We must not be too limited in our appeal.

Q. You have had more experience in dealing with this matter than I have, but I think it is a mistake to believe that the man with the lunch pail is not capable of discussing questions in their various contexts and applications.

Mr. FRASER: Sometimes they have a whole lot more common sense than some of the others.

Mr. GRAYDON: I do not think you can take any one section of the people and say it is more intelligent than another. You will get different classes of people in different sections of the community. I think there are a lot of people who like to read the pamphlet form of literature and who digest it very readily; on the other hand there are others who like the pictorial form. I think the newspapers have found that to be the case. In any kind of information service you have to have a broad appeal. I think that is what Mr. Morse has in mind. I think to rule out any of these methods would be to rule out an appeal to a large section of the community.

Mr. MACINNIS: You might; but I am afraid with our modern form—if you like to put it that way—of mass distribution of comic literature, if you can call "comic strips" literature—they are finding the same thing, not with regard to the intelligent class, but rather in the manner of serving too many sweets for a meal. If you do that you won't have proper material for food or nourishment. I think that is the grave danger and one which you encounter everywhere. Nobody knows that better than the member of parliament because, as Mr. Low has mentioned, you have so much material coming in every day that unless there is some halting of the process, we are liable to be smothered in printed material before we get a chance to read it or find out whether it is worth while.

Mr. FRASER: I find that I have to take my mail away to read over the week-end.

Mr. GRAYDON: Isn't Mr. MacInnis' point the same as Mr. Morse's argument, that is, that there is a possibility of smothering the public with too much printed literature in favour of this type of education. I think there are a great many people not all uneducated people who get their information very quickly

from pictures, perhaps more quickly than they would by the written word. There are different types of minds. I quite agree with Mr. MacInnis that we should not cheapen publicity by any methods that are not proper but I do think that the picture has its place and that is what Mr. Morse is emphasizing.

By Mr. Leger:

Q. Mr. Morse said that they are organizing among the French in Quebec. I wonder if he was thinking about the French population in the other provinces. For instance, New Brunswick has a French population of 38 per cent, and there are French sections in Ontario. I do not think there is much literature going to New Brunswick French?—A. We might have a field secretary for Northern Ontario, Quebec and the maritimes, who would not overlook the 38 per cent in New Brunswick.

Q. We should see that it is not confined to Quebec alone.

Mr. FLEMING: When Mr. Morse spoke about the necessity of broadening the appeal of the society, I was reminded about my own experience with the League of Nations Society. I know that the great tendency in the old days was for membership to be confined to a sort of intelligensia. I think Mr. Graydon's point is sound. There must be a broadening of appeal and membership in the organization. That may necessitate a broadening in the appeal of the literature which the society issues; and it is for the members of the society to say whether there is enough breadth and flexibility in the literature issued to meet particular forms and tastes in digesting such literature.

Mr. GRAYDON: I brought this point up before in committee and I mention it now simply because Mr. Morse is with us: that the dry bones of the United Nations Charter and its documented evidence is difficult reading for many people to find sustained interest in; but I have found that the public is tremendously interested in human interest stories surrounding the United Nations Organization. I think that, in the preparation of the general information and education that the human interest part of it must not be disregarded because may thousands of people in Canada will find their main interest—perhaps not everybody—in that department. Those who are, perhaps, more highly educated may not, although I have found, in speaking to university groups in connection with United Nations matters, that they are more interested than others in human interest stories.

The WITNESS: I do not want Mr. MacInnis to feel that we are going to use any one line to the exclusion of all others. We are trying to broaden the approach so that everyone may feel he has something to get from us and give to us.

Mrs. STRUM: I think it is a great pity that so few of us are members of the society. I am one of the guilty parties. I suggest that a member of each party take the responsibility of canvassing his group for membership. As Mr. Low has suggested, that would be a better approach than to receive a circular in the mail which may be only one of twenty circulars received in the same mail. You have a possibility there in the way of enrolment. We would need publicity agents in this thing too.

Mr. FRASER: You mean that it would be another appeal for money and the members get about twenty of them every day.

Mr. MACINNIS: Shall the item be carried?

The CHAIRMAN: I think it would be in order, in the name of the committee, to thank Mr. Morse for his fine address which has proved to be most illuminating and instructive. I thank you, Mr. Morse.

The next meeting will be on Friday, at 11.30 o'clock a.m. of this week. Some members mentioned the fact that it might be in order to sit while the

House is sitting; but personally I would rather carry on this way, as we do now. We have been fortunate in not having failed to have a quorum so far, and I think we should carry on this way.

Mr. FRASER: May I comment with respect to the sittings. As I look over the estimates, having regard to the rapidity with which we have gone up to date, if we take it for granted that the session will continue the early part of August, then, two meetings a week would hardly clean up the balance of our work.

The CHAIRMAN: We are pretty well cleaned up now.

Mr. FLEMING: Are we not nearly through with our estimates? It seems to me that we have touched on nearly all the essentials of the estimates. Could we not clean up the remaining items of the estimates at the next meeting?

The CHAIRMAN: I do not believe we can, but I think we could do so in two meetings. Is there a motion to adjourn?

Mr. Low: I move that we adjourn.

The CHAIRMAN: It is moved that we adjourn. The motion is carried. Thank you.

The committee adjourned at 1.05 o'clock p.m. to meet again on Friday, July 5, at 11.30 o'clock a.m.

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Canada. External Affairs, Standing
Committee on, 1946

(SESSION 1946)

(HOUSE OF COMMONS)

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(STANDING COMMITTEE
(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

FRIDAY, JULY 5, 1946.

WITNESS:

Mr. J. A. Chapdelaine, Assistant to Under-Secretary of State for External
Affairs (Economic Division).

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



MINUTES OF PROCEEDINGS

FRIDAY, July 5, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Boucher, Bradette, Cote (*Matapedia-Matane*), Graydon, Jackman, Jaenicke, Knowles, Low, MacInnis, MacLean, Sinclair (*Ontario*), Winkler.

In attendance: Mr. J. A. Chapdelaine and Mr. John Starnes of the Department of External Affairs.

The Committee resumed consideration of departmental estimates referred, *item 56* Food and Agriculture Organization of the United Nations.

Mr. Chapdelaine was called and examined, the witness filed a list of nations who are members of F.A.O. (*appendix "A"*) and also explained the method of computing the member nations contributions to the expenses of the organization, the functions of F.A.O. and its relationship to the Economic and Social Council of U.N.

Item 56 was approved.

The Chairman announced that at the next meeting Mr. Chapdelaine would be called to deal with numbers 52, 53, 54, of the estimates.

On the motion of Mr. MacInnis the Committee adjourned at 12.55 p.m. to meet again Tuesday, July 9, at 11.30 a.m.

F. J. CORCORAN,
Acting Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 5, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette presided.

The CHAIRMAN: I now call the meeting to order. Thank you, gentlemen, for coming, particularly in view of the fact that it is a Friday morning and a warm day. We have with us this morning Mr. J. A. Chapdelaine, a member of the Economic Division of the Department of External Affairs, who is going to deal with items 52, 53, 54 and 56 of the estimates. He has asked that he might be permitted to deal with item No. 56 first because it is the largest one, and of course, he must have some good reason for making such a request.

Mr. GRAYDON: Would you mind putting on the record the details of those items?

The CHAIRMAN: Yes, they are as follows:—

No. of Vote	Service	1946-37	Compared with estimates of 1945-46		
			1945-46	Increase	Decrease
52	Portion of expenditure of the Imperial Economic Committee	7,900 00	1,575 00	6,325 00	
53	Imperial Shipping Com- mittee	750 00	750 00	
54	Portion of expenses of Inter- national Wheat Council .	3,000 00	4,000 00	1,000 00
56	Food and Agriculture Organ- ization of the United Nations	210,000 00	126,500 00	83,500 00	

The CHAIRMAN: I will now ask Mr. Chapdelaine to proceed.

Mr. J. A. Chapdelaine, Member of the Economic Division, Department of External Affairs, called:

The WITNESS: I have no very set views with respect to the order in which these items should be taken up, but I have suggested the largest item first.

The CHAIRMAN: Excuse me, I will call the item first:

No. of Vote		1946-47	1945-46	Increase
56	Food and Agriculture Organization of the United Nations	210,000 00	126,500 00	83,500 00

The WITNESS: I started out by saying that I have no set views on the item, but since it is by far the largest of the four items, and one which deals with a specialized agency of the United Nations it might be one in which the members would be most interested. I am not familiar with committee procedure so I am afraid I cannot work from experience, but if there is anything that is wrong about the way I put things I am sure the chairman of the committee will set me right.

Mr. JACKMAN: It is all quite informal.

The CHAIRMAN: We will give you all the latitude you wish and let you deal with this item in the way you think best in the light of your experience in dealing with matters of this kind.

The WITNESS: The item is for Canada's contribution to the second year budget of the FAO, as it is commonly called. You will notice that the rate has been stepped up almost 80 per cent over last year. The first year's budget for FAO was of \$2,500,000 and Canada took her share of over 5 per cent of that at the time, some members being given a reduced rate because at the time the organization was established a number of them were under the heel of the enemy. In the second year, conditions having got closer to normal, the rate has been reduced from 5 to 3·8 per cent, but the budget has increased from 2·5 million to 5 million for the first regular budget year. Our contribution of 3·8 per cent, is therefore set at \$210,000 instead of \$126,500, which was the amount of the item last year.

As you know, the FAO was the first United Nations organization to begin operating. It was born with President Roosevelt's call to the United Nations to meet at Hot Springs in the early summer of 1943. From that conference came some recommendations for the establishment of a permanent specialized agency by which the United Nations might be guided, in matters of food and agriculture, the constitution to be drafted by an interim organization of which our present Ambassador at Washington, Mr. L. B. Pearson, was the chairman. The work of the interim organization was completed late last summer and in October the first meeting of the organization was held at Quebec when Canada signed the constitution along with some thirty other countries. Some half dozen or so have joined since. The work of the organization was expected at first to be strictly consultative and concerned with long term problems but the pressure of events, particularly in recent times with the threat of famine throughout the world, forced it to take action very early. It called a special conference on urgent food problems in May of this year which resulted in a widening of the Combined Food Board, which was an organization of three countries, Canada, the U.S.A. and the U.K., into a much larger one the International Emergency Food Council. The Council consists of some twenty nations with a smaller group or executive committee of less than ten.

As I said earlier the body was expected to mainly consultative and its ends will be such. I do not know if "consultative" is a sufficiently comprehensive word, because although it will be a body which will collect statistics and inculcate information, it will also be a sort of broker for technicians to be loaned from one country to another; and, when it is set up, technicians on its staff will be available to go to the help of any country that needs assistance in the better use of its lands, forests, its fisheries, etc.

I think that this about as much as I have to say on FAO in general. If there are any points in which members of the committee are particularly interested, or with respect of which they desire elaboration, I shall do my best to answer questions.

By Mr. MacInnis:

Q. From what I can understand this is expected to be a permanent organization?—A. Yes.

Q. Similar in nature to the ILO?—A. Of the nature of the fund ILO, the International Bank, the fund and similar bodies of that type which it is expected will be related to the Social and Economic Council. The Social and Economic Council has a committee at the moment which is studying the question of the exact form of integration—that might be too strong a word—but the relationship of the satellite specialist organizations with the main United Nations organization probably but not necessarily so through the Social and Economic Council.

Q. Have you a list of the nations who are members now? I do not want you to read it unless someone else wants it read, but I think it would be a good thing to have it put on the record.—A. Would you like to have it read to the committee?

Mr. GRAYDON: No, put it on the record.

(See Appendix A)

By Mr. Knowles:

Q. Are there any nations not members of the UNO who are members of the FAO?—A. No. That cannot happen as yet.

By Mr. Graydon:

Q. Is Russia a member?—A. No. You may remember at the conference at Quebec there was a Russian delegation but there was uncertainty as to whether it would sign or not; it ended up by not signing and remained throughout the conference as observers.

Q. I understand with respect to the relationship of this organization to some of the others you have mentioned the Economic and Social Council are taking the same steps in bringing the various bodies into relationship as provided by the charter?—A. Yes, sir.

Q. I am told that already agreement has been reached with respect to principles—and that is about as far as the council so far has moved with respect to anything definite in connection with it; but I take it that the Food and Agriculture Organization will have to have a different type of agreement perhaps than that relating to the ILO.

Q. Do you know how far the council has gone in drafting or preparing a draft agreement between FAO and the Economic and Social Council?—A. We have not seen anything definite as yet. All we know is that the FAO in Washington has somebody conferring with the council in New York and the council has a committee, which I knew was established before the meeting which began a little while ago, but has not yet produced any definite results that I have seen, I am pretty sure the subcommittee has not reported to the Social and Economic Council but probably will report by the August meeting.

Q. Might I ask one more question? Who are the high ranking officers of the Food and Agriculture Organization; and, are there any from Canada on that?—A. Are you thinking about what might be called a permanent civil service; or did you mean the council?

Q. I am thinking of the head of the organization, Sir John Boyd Orr.—A. There is a civil service organization which is still a very small affair. You may have seen very recently that they have taken on as head of the fisheries division a former Canadian deputy minister of fisheries, Dr. D. B. Finn. As far as I know their staff is building up, but it is not more than some twenty odd people at the present time, including Sir John Boyd Orr. They are having, as every national organization is bound to have, great difficulty in recruiting a competent staff. That kind of personnel is scarce and not only scarce but also badly needed by the countries where they are employed, because it may be assumed that the good people are doing giant's work in their own countries still.

Q. Well, then, Sir John Boyd Orr is chairman of the organization?—A. Secretary-General, I think is his technical title.

Q. Yes that is true; and he has under him a staff of international civil servants. Has he acquired any high ranking officials from each of the nations acting with him in the capacity of assistant Secretary-General or anything of that kind?—A. The fact is, sir, that the staff will not be recruited on national lines, although that principle will be followed in part. They stress the importance of having technically competent personnel in all these matters, as you well know,

and in order to do that you have to take liberties with principles in order to make the staff efficient even at the expense of equalized representation. You may at times have two people one of whom would be as good as the other, and if we had a glut let us say of U.K. or U.S. employees, there would be a preference for the non-U.K. or non-U.S. who would be as good and would give the organization a more representative international character. I know for a fact that Sir John Orr has not appointed as yet any of his deputy secretaries general. Dr. Finn holds the appointment which is the nearest thing to that as yet as the head of a division; and knowing Dr. Finn, I am quite sure that after he has been there a little while he would be considered a sterling candidate for an even larger administrative position and probably for one of the deputy secretaries general. The Secretary-General, Sir John Boyd Orr, has to assist him a committee, the executive committee of the conference. The council in that organization is called the conference, of some fifteen persons not named by countries, but because of the personal qualifications of each individual concerned; and, Dr. Barton is one of the members of that executive committee.

By Mr. Jaenicke:

Q. How many technical experts has the organization got now?—A. It has not recruited any great number of staff as yet; it is still running with a very short staff, with a mild amount of borrowing from time to time for special jobs. A number of Canadians have gone down to do some specific pieces of work for them. Mr. D. Roy Cameron, for example, of the Forestry Division, has been doing work from time to time for them, and also Dr. Finn and Dr. Barton. They give some of their few spare hours to work on technical panels of the organization. This applied particularly during the days of the interim commission. There were a number of panels at that time on which Mr. Angus, of our department, represented Canada. Some of the universities and agricultural schools had representatives who went down to Washington to assist with the work. The organization is located temporarily at Washington because it left the settlement of its final location until the time when the United Nations Organization had settled its home.

Q. Have experts been sent to member countries to give advice?—A. Not as yet. I do not know that there has been any request from any member nation for assistance from the organization.

Q. Would it need a request, or could the organization do that on its own initiative?—A. You have the general question of sovereignty, as usual; and no major undertaking would be done without a request from the member country.

Q. Could not the organization make a request to a country that some experts might be sent there in order to better the production of food, let us say, for example, some country in the Middle East where, according to our understanding, the implements are very primitive. Could not suggestions of that nature be made?—A. Quite so. I expect some of that type of work will be done; but at the moment, until the organization gets a little better on its feet, it will not try to chew more than it can swallow. The problem is still very much one of organization at the centre.

By Mr. Graydon:

Q. To get back to the item under discussion in actual dollars and cents, what is this item for in fact?—A. It is mainly for staff and headquarters services of the organization. It is in the same category as the contribution that Canada made, let us say, to the administrative operations of UNRRA.

By Mr. Low:

Q. Is it made as a lump sum contribution?—A. No, it is a percentage of 100 per cent.

Q. You have, in here, an item of so many dollars. Are you going to make a contribution in the way of a lump sum to these people?—A. The item this year will be paid as follows: four-fifths of it, I think, is expected according to the budget of the organization, in the first month after the beginning of the fiscal year which is July 1st. One-fifth will be payable later, after the organization has met for its next meeting and settled its budget definitely. Last year, F.A.O. drew upon Canada, in one sense. Inasmuch as the meeting took place in Canada, we arranged that we would pay our contribution in the form of footing the bills for the Quebec conference, accountable, of course, up to the amount of our contribution. So, in the first year, we did not send a cheque down to the F.A.O. organization in Washington, but we arranged to pay the expenses at Quebec, for the renting of hotel accommodation, for stationery, for the staff, and so on, all of it accounted for; and when we had spent our contribution, we said: "That is as much as we are responsible for, so you had better start doing it from the other contributions which you have amassed."

Q. What percentage of the total budget of the F.A.O. is to be borne by Canada under the agreement?—A. I had better get you the exact figures on that, if I may. In the first year, Canada paid 5·06 per cent of the \$2,500,000 budget. In the second year, it has been reduced to 3·80 per cent. The reason for the reduction is that in the first year we, and all the non-invaded countries, assumed a higher proportion in order to give a smaller proportion to the countries which were less solidly on their feet than they are now becoming.

Q. The amount which is now in the estimates would not include the expenses of our delegates and those who represent Canada at the various conferences.—A. No, it would not. It would include the expenses, obviously, of any Canadian government employee who was borrowed for a job at any particular time, for the organization. The Canadian delegation went to Quebec under another item than this one.

By Mr. Low:

Q. Are we to assume that Dr. Barton, who is one of the advisers, and the Deputy Minister of Fisheries, will have their expenses paid in connection with any meeting in Washington, entirely outside of this money?—A. Yes. When Dr. Barton goes to Washington for a meeting of the executive committee, he goes at the expense account of the F.A.O.

Q. His expenses are not paid by the department?—A. No, not by any Canadian vote. They are paid by the organization down there.

By Mr. Boucher:

Q. Out of this fund?—A. Out of the budget of the organization to which Canada contributes a percentage.

By Mr. Graydon:

Q. Is there any general government policy that you know of to curtail the expenditures on international matters generally, so as to keep them down within reasonable limits?—A. I am not sure whether I understand your question. Do you mean: is there a sort of check on the organization so that the organization does not become a spend-thrift, or do you mean that within the budget of the organization Canada might or might not see fit to request a reduction in the percentage of its contribution?

Q. Perhaps, both, including what I had in mind. I had better explain my point of view. Canada, just now, is entering into a much broader field of international relations than this country has ever experienced before; and attendant upon that, is a tremendous "upping" of expenditures abroad for the purpose of international affairs. Now, I think that a matter which will have to be decided

soon is, how far the smaller nations of the world can "keep up with the Joneses", if you like, of the bigger nations which have tremendous taxing powers and tremendous revenues and great wealth.

I realize that there are great difficulties in connection with it, but the expenditures for our work in the international field are growing, growing, and growing. In a sense this country is almost carrying on another outside government, if you like. It is participating in a world movement and in the various branches of that movement. I think some governmental policy will be essential very shortly to see that we do not over-reach ourselves in Canada.

I realize that it is not right for us not to take our proper place; but I think there ought to be a careful survey made, based on the experiences we have had up to date, to see to it that Canada's expenditure is commensurate to the work we have to do. Nobody wants a single duty or obligation of this country to be shirked. But, on the other hand, within the limits of that broad participation, I think we have to watch carefully our expenditures in international affairs, in the same way as we watch expenditures carefully at home.

In my little experience, in connection with the matter of expenditures outside for delegations and for representations generally, I would say that these matters are very difficult to curb. Expenditures outside are heavy, living expenses, hotel expenses, and the various expenses of delegations going abroad. Such expenses are not always governable by what we may say at home, but are often governed by circumstances in which the delegations find themselves, such as those of acquiring accommodation when they are away. I think we are up against an immediate problem of seeing how far Canada can go in the wide range of expenditures in international affairs. We in Canada cannot afford to bear as high a proportion of such expenditures as some other nations which have much more money than we have. I think we must keep our expenses in Canada down to a proportionate level, having in mind our position to pay as related to other nations of the world. I think that problem is even greater in the case of some other nations than it is with Canada.

I look with a great deal of concern and a great deal of sympathy on the little nations now, who have to participate and who want to participate in the United Nations Organization: They have to send nearly as many members or delegates as Canada, and they have to do many of the same things that Canada does. It must be a very heavy strain on the treasuries of those countries that have not got the wealth to take care of such expenses. I would indicate my concern about having some general policy for keeping our expenditures within the limits of what our people at home are able to pay.—A. That is a question upon which I cannot expound a great deal. I am afraid I have no authority for explaining government policy particularly as to treasury matters.

Mr. KNOWLES: You do not represent the Treasury Board.

The WITNESS: There is one aspect of the matter in which I fully see the strength of your point. Once you have a meeting, there is pretty much of a need to have enough people there to do the required work in the committees. Those committees call for a minimum of representatives. If there are to be three commissions and four subcommittees under each commission at a meeting, then you will need to have enough people to go around and keep an eye on things and speak Canada's view at those meetings. So the expenses of delegations are not likely to be related to the paying power of the country. When it comes to the contribution to the funds of the organization, however, that is established much more in relation to the paying power of the countries.

By Mr. Graydon:

Q. It can be based more readily upon the ability to pay than can the proper expenses of delegations.—A. Yes, but, of course, there is one saving grace in that the expenses of delegations are relatively smaller, I am quite sure, than the expenses of membership.

By Mr. Low:

Q. What control do you have?—A. In a sense you spend less than your initiation fee.

Q. What control is held by the organization over expenditures out of the fund.—A. That is attended to by a conference consisting of one representative of each of the countries on the body, the House of Commons of it, if you wish. The conference considers the budget.

Q. Does the conference report back to the contributing countries for approval?—A. I think I see your point. When our representative goes down there to discuss the budget, he goes with the power to say that he agrees or disagrees with the budget. If he agrees, then it is subject to approval of the government upon his return. We could say: no, we do not agree with what you have done down there. But that, of course, is relatively limited, because it would mean, in some cases, that if we did not agree, then we must get out. The contributions are based on certain general principles that are generally agreed upon.

Q. As a member of this committee, I am concerned to see whether Canada is getting a run for the money she pays for some service to the world. That service is necessary, and the money must be expended; but I think our purpose should be to examine these estimates.

By Mr. Graydon:

Q. In other words, following what Mr. Low has said, I should think that the time has come when there ought to be something in the international field which would be comparable to our Treasury Board in Canada and to the Auditor-General's system.—A. Would you wish to see an international auditor-general or to have each nation given the right to send its own auditor to look into the expenses? These organizations all have an auditor who audits the accounts and sees to it that nothing is improperly spent. Reports are made to the budget committee of the conference, and by it to the conference itself. If there had been some mishandling of funds, there would be very serious strictures indeed.

Q. I do not think you could have fifty-one auditors-general going into the international field and getting any kind of order out of that chaos; but I think there should be some way by which the taxpayer of Canada could reach in and have some measure of control.—A. Information is made available in that the government, according to the F.A.O. Act, which became law at the last session, must submit a report to parliament each year, such a report would elaborate on the expenditure of the funds.

By Mr. Low:

Q. I am afraid we are now touching on what would prove to be the main weakness of practically all of these international organizations. It is going to be difficult to find controls that would be adequate.

By Mr. MacInnis:

Q. Are we not getting away from Mr. Graydon's point. I understand that he asked if any check was made in the Department of External Affairs on the expenditures of the international organization. That is something with which this committee should concern itself. The witness could only say "yes" or "no" as to whether there was any such check. But after we get into the question, after we once make our contribution, how that contribution is to be spent and whether we are getting value for it or not is something we cannot go into very much here, I think.—A. There is a check by parliament on these estimates when they are presented and there is a check on the expenditures themselves by the Treasury Board when the money is transmitted and by the department or rather the government representative in the conference of the organization.

By Mr. Low:

Q. That would be after the money is spent?—A. That happens afterwards; but there is something that happens before. When the organization goes before the conference, let us say that Sir John Orr, just to take a name, goes before the organization and says: "This is my budget for the year and this is the money I want to have voted by you to the organization." He presents his budget which includes salaries, the collection of statistics, missions in certain countries to look into the question of agriculture, and so on. Then the conference looks into the budget and says, perhaps, we do not think you need fifteen people in a particular division.

Q. You need to have a pre-audit control. It is not a question of auditing what has been spent, but a pre-audit control in order to determine that the money is rightfully spent according to the object set forth in the budget for that money.—A. That is what happens. Here in Ottawa, some two months before the next meeting of the F.A.O., we shall have a draft budget, if you wish. It will be looked into by our department and checked by the Department of Finance and the people who are responsible in that department including, I am quite sure, the Treasury Board. Perhaps not the Treasury Board itself, but the staff of the Treasury Board would look into that budget and if there were any questions about it, or if the staff was not satisfied, they would probably refer the matter to the Treasury Board itself.

By Mr. Boucher:

Q. The Auditor-General might look over your proposed budget and either approve or disapprove it, but there is nothing internally to give us the particulars of his audit.—A. Before the budget is voted, it is gone into by the interested departments, the main one of which would be the Treasury Board or the Department of Finance, and at the end of the fiscal year the Canadian Auditor-General sees that the money which has been voted has been properly transmitted to the organization.

Q. But the Canadian Auditor-General, once having inspected the budget or the disbursements, would report to nobody?

By Mr. Jaenicke:

Q. Do you mean to say that they have not made up a budget as yet?—

A. For the fiscal year which began four days ago?

Q. Has the organization made up a budget?—A. They did so at Quebec for the first year which started last autumn and ended on the 30th June; and they also made up a tentative budget for the year just beginning which will be presented at the next conference which will meet at the end of the summer.

Q. And the item of \$210,000 is based on that budget?—A. Yes.

Q. Have you a copy of the tentative budget?—A. No, we have not received it yet.

By Mr. Graydon:

Q. How is the \$210,000 arrived at?—A. That was approved at Quebec last Autumn. The total amount of the budget and the contribution of each country was agreed upon at the conference at Quebec last Autumn.

Q. Is this the situation then: that this is a maximum amount required to be paid by Canada, pending the budget arrangements, at least the budget decisions, which will be made some time this autumn?—A. This is the order of value; it will hit at the amount. If it be more, it will be very little more, and if it be less, it might be as low as four-fifths of the amount stated.

Q. In other words, Canada is adopting a sort of hit or miss policy with respect to it, based on the fact that this was the amount which was suggested at

the Quebec conference?—A. The expenditure which it was expected would be needed. At the time they were only beginning. They did not have a staff and in the first year the larger amount of expenditure would be for staff. If you take on a man, say, at the 1st January, you will pay him more money for the year than if you only find him in May or June. That is why the amount might be less, but unlikely to be more. If that be so, we would have to come back for a supplementary vote, probably at the next session.

Q. Will the members of parliament receive the actual budget that is agreed upon at the autumn conference, with respect to this vote?—A. That, I expect, would be a part of the report to parliament which is required according to the FAO Act.

By Mr. Boucher:

Q. Is it your contention that the Auditor-General should inspect the budget and the accounts and approve them and then submit his findings in a report to parliament; or should the Auditor-General report to each individual department of the government and not report to parliament?—A. I am afraid that is beyond my ken.

By Mr. MacInnes:

Q. I imagine that the Auditor-General would not have anything to do with the main items in the estimates, but would be concerned only with it after it goes through as an expenditure. He only examines the estimates when an expenditure refers to an estimate. What does the Auditor-General have to do with the estimates?

By Mr. Knowles:

Q. While I agree with many of the views that have been expressed to the effect that there should be some kind of control of expenditure in the international field, in the same way that we have it in the national field, I am quite sure there is another view on these matters than that which has been expressed by Mr. Graydon and those who have spoken. I do not wish it to be thought that I disagree with them, but my personal feeling is this: Mr. Graydon has asked if Canada can afford these increased expenditures in the international field. I want to say that I believe our stake in world conditions and in world peace is so tremendous that we cannot afford not to be in these things to the very limit that we can possibly stand. I find that the total expenditures of the Department of External Affairs include our contributions to the maintenance of these international organizations and our representatives abroad, together with some other things such as the item of passports which is not part of this, but I have not bothered to pull it out. The total expenditure of the Department of External Affairs is only one-tenth of 1 per cent of Canada's total budget for this year. I suggest that it is quite possible that the remaining 99.9 per cent of what we do in this country may depend upon whether or not we maintain the kind of world that is healthy and well-fed and can live at peace. I know that is a bit rhetorical or oratorical and all that, but I submit that it is a point of which we should not lose sight.

I remember a statement made by Mr. Bevin at the United Nations Organization last January, when expenditures were being discussed, to the effect that the total cost of the United Nations Organization and, I believe, of its satellites as well, to all the nations involved, for a whole year, was less than the cost of the last war to Great Britain alone for one day.

Let us be vigilant along the lines that the members have been suggesting, in seeing to it that there are proper controls. But let us not lose our perspective completely. I think there is hardly any field in which we could be spending

money more effectively than that of international relations; and I think, too, that it is even more worth while to be spending money on these constructive and positive measures such as FAO and the specialized agencies related to the Economic and Social Council than it is in spending money for negative and punitive things that only apply when the game is lost. These are the things that will keep the peace of the world.

Last January and February I attended a number of meetings of the sub-committee of the United Nations Organization when it was dealing with the budget, in London. It was a fifty-one member committee. I want to tell my fellow private members of the House of Commons here that it sounded exactly like this House of Commons when the estimates are up. It was a little bit different in this sense, that it was more like a municipal council than a parliament. There was no government to crack the whip and pass its estimates whether wanted or not.

The CHAIRMAN: Order

Mr. KNOWLES: Once an estimate comes down, it goes through in that way. But the estimates of the United Nations Organization get definitely revised, and the proportions and the very basis of the contributions of the various countries get revised, because the individual members representing the various countries fight, tooth and nail, for it just as we do here. I think that, just as democracy is a protection of expenditures in our country, so it is a protection in the international field, and perhaps even more so there, because you do not have the relation of government to parliament. It is the council which controls the thing, as a whole.

Mr. GRAYDON: Mr. Knowles has expressed general agreement on this matter; but to my mind it is a question that we must, in this type of work, make sure that we get a dollar's value for a dollar spent.

By Mr. Jackman:

Q. May I ask whether the FAO and similar organizations will publish in printed form their annual accounts for the fiscal year just closed, so that those who are interested, including ourselves, may survey those accounts?—A. My understanding is that they will; but the only one that has functioned long enough to have occasion to do so is UNRRA which has been issuing its accounts regularly.

Q. I suppose that UNO will do the same—A. Yes. The League of Nations did so regularly each year, and I am certain UNO will do the same.

Q. I wonder if, to some extent—not to confuse your functions as an economist with those of a controller of economy similar to such a controller in a private organization who presents his findings to whoever is in final charge, whether it be the head of the organization or to the subscribing members, the various countries who are members—I wonder if, in that connection, Mr. Graydon's suggestion could not be better carried out, and whether or not the Department of External Affairs here, now that we are a member of international organizations, should have a controller of accounts. Such a position might be a full-time job. A controller could give preliminary inquiry at least, and obtain a picture of just what our total obligations were in these various fields, so that we could relate these costs to the usefulness of the functions which are being performed. There is no position of controller in the Department of External Affairs, not of your own expenses?—A. I am not sure how that would not be looked upon by the agency which has the main responsibility of supervising the expenditure of Canada's money, the Treasury Board. We as a department have to satisfy them that an expenditure is justified.

By Mr. Cote:

Q. Suppose we have a controller in the Department of External Affairs, we would then relate everything to him, that is, the money which should be spent by either UNRRA or some other organization? Would we not be submitting the principal to the accessory, that is, the policy of the government to a mere matter of "X" amount of money; whereas, money, in my estimation, should be incidental to the government's policy, if it be the policy of the government in power to do this thing instead of that thing in regard to UNRRA or some other organization? I think that money should serve the policy which would be implemented by the government first and endorsed by parliament and that we should not submit an "X" amount of money which would involve, in all respects, the expenses of Canada to UNRRA or any other organization. I submit that this matter of the budget is merely incidental to the government's policy.

The CHAIRMAN: I believe it was the sentiment of the previous speakers that it was incidental only to the extent that no one would wish to see money spent extravagantly. They do not want expenditures on which there is no check. I believe our discussion has been of value on that score.

Mr. BOUCHER: Should we not, as a committee, say that we feel that limits should not be put on the money, provided we have assurance that economies are exercised.

The CHAIRMAN: That has been the keynote of the discussion this morning all the way through.

Mr. GRAYDON: There is a point I wanted to raise at some stage and perhaps now that we are speaking about relationship of expenditures to our various representations abroad would be a good place. My point is one to which I think this committee, either at this session or at another sitting should give serious consideration. One thing that has struck me about our international participation is that the representatives of the people in parliament are not being brought close enough in touch with the work that is being done day by day in the international field. We have got our domestic show here, and collaterally to it we have an international show running concurrently. We have to wait—I do not mean to be unduly critical of anyone in connection with it, because we are only gaining by whatever experience we can pick up as we go along—but I think this parliament should have a weekly report, perhaps more often, of what is going on day by day in the many bodies in which Canada is represented internationally.

Last week I went to New York to try to find out what the situation was there. I sat in on the Security Council and on the Atomic Energy Commission and on the Health Council of the Economic and Social Council. To do so may be all right for me, to take a week off for the purpose; but what about the 245 members of the House? They are just as interested in these matters as I am. I think we are not getting the international picture in parliament day by day. The picture changes so quickly that a report of a few months back is out of date today.

I would like, Mr. Chairman, to suggest that this committee make some recommendation to bring our international deliberations into parliament. I do not think, at the moment, that anybody in the House, appreciates what those relations are unless he is making a very close study of the matter of what we are doing in other gatherings in which Canada is vitally interested, just as interested as she is in affairs at home and perhaps more so today. I think that is a most important recommendation which this committee might properly bring forward because I have found members of parliament frequently asking me questions, asking those who have participated in international conferences, and making all kinds of inquiries about what is going on. I think it is a matter of

immediate urgency. Perhaps it cannot be done at this session of the House but certainly I think we are under some obligation in this committee to see to it that we are brought right up to date and right up close to everything that the people's representatives are doing at home and abroad. I feel very keenly about it and I think the government ought to give some consideration to seeing that it is done and not leaving it over for long reports that are prepared later by the departmental representatives and issued by the minister. Such reports are very good for the purpose of record, but are certainly of no use when you are going back to your constituents.

Suppose one of you who may not have been at an international conference at all, was asked what are they doing. You could not answer the question. Only those of us who have been there and have taken the trouble to work it out are able to answer it intelligently. I think that in view of the fact that the taxpayer's money is being spent upon international affairs, those taxpayers and electors are entitled to have up-to-date, day by day, or week by week reports given to parliament, so that every member of the House will be acquainted as those of us are who have been privileged to go to some of the international gatherings.

MR. BOUCHER: I agree very substantially with what Mr. Graydon has said. I think, as an External Affairs committee, we should have a report brought to us more regularly. I was wondering if there was some way in which our committee could investigate possibilities in that regard.

MR. COTE: Is there not already an organization doing that kind of work, the Canadian Information Service, and more particularly, the External Affairs branch? That branch has got, I think, what is needed to meet Mr. Graydon's requirements, if we only ask for it. I know that I receive quite a lot of information with regard to what goes on in the various countries. That information is being published by C.I.S., and I believe it will be published even more fully very shortly. I believe that if we only take the trouble of asking C.I.S. to supply us with the material, we can find anything we want.

MR. GRAYDON: But what I had in mind was not the kind of information that was provided by C.I.S. I do not think that members of Parliament should rely on C.I.S. to supply them with the information which is available to the general public anyway. I think this matter is important enough that it should be brought up on the floor of the House of Commons.

MR. KNOWLES: Those people who go to the conferences should report back to parliament, not just report to the government. It is the government which has the responsibility I am sure, but it is Canada which is a member of the international bodies and not just the government of the day.

MR. GRAYDON: Yes. I think we should have weekly reports issued through the Department of External Affairs to keep us up to date, even if those representatives of our country are away at the time. I can see Mr. Cote's point of view, but I do not think it meets the situation, as well as first-hand reports of those who are in control and who supervise the operations of our governmental representatives.

MR. COTE: That would indicate taking away from the Secretary of State for External Affairs the direction of his department and giving it to parliament.

MR. GRAYDON: No, surely not because, after all, government policy is government policy; but surely government policy should be at least given to parliament together with the reasons for that policy, because, very often, government policy is not infallible and parliament very often is the corrective of that fallibility. I think we ought to have at least some system whereby we will be brought closer to the international field.

Mr. MacINNIS: If this is a suggestion for our report, I think we should consider its implications very carefully before we approve it. I am thinking first of what would be included in such a weekly report. How many of the various international fields of relations would be covered; and then I am just wondering, it would be quite a voluminous report, I imagine, and after the member got the report, what would he do with it? Every one of us receives reports every day which we put in a basket, hoping that there will be an opportunity to look them over, an opportunity which is never found. If your basket is like mine, it grows every day. I sometimes wish that an atomic bomb would come along and clean the whole thing out.

What we should be doing is to find out how to rush the procedure of this parliament so that we can get home. You cannot rush proceedings and have reports and deal with them effectively. I am very much afraid that such a daily or weekly report to bring us closer in touch with international affairs, although it is a wonderful ideal, could not be done at the moment. This committee might have something like that if it sat all the time as an External Affairs committee, but for the great mass of members of Parliament, they simply have not got the time to deal with it and they have not got the background that would make it possible for them to understand it and deal with it intelligently.

Mr. BOUCHER: Surely there are enough members of parliament who would interest themselves in such a report to make it of value, even though all the members did not thoroughly digest everything that came through.

Mr. GRAYDON: I appreciate Mr. MacInnis' point of view, but one of the things against which I would warn you is this: that we, in the House of Commons, have not given enough time to external affairs. If you look back at the records of this session, I doubt if 1 per cent of the time of parliament is given to external and international events. After all, it would seem to me that we ought to give a proportionate amount of time to those matters that—everybody will agree—do affect the very homes and lives of our people just as much as to some of the domestic problems that take up so much of our time. I think we might easily increase that 1 per cent of parliamentary time to something more than 1 per cent if we would only realize and recognize the importance and the vitality of the problem of international relations.

The CHAIRMAN: In such a publication would you want to confine it only to such international activities as those in which Canada is represented?

Mr. GRAYDON: I am thinking particularly of the conferences that are going on. It is not good enough to have reports sometimes six months afterwards.

Mr. COTE: Have you seen the material which is published by C.I.S.?

Mr. GRAYDON: I get it all the time, but I am not satisfied that it is good enough for parliament.

Mr. COTE: Why not suggest that the proper function of C.I.S. is to inform us? They have the best staff they could possibly have and they have experience in summarizing and making synopses of whole sequences of events which are taking place at the conferences. We could suggest to C.I.S. an improvement in their staff and in the reports that are made.

Mr. GRAYDON: We would be getting into a position where we are dependent upon C.I.S. I shall have some criticism to offer with respect to C.I.S. in due course, not in this committee but somewhere else. I think you have got to bring this into parliament. It is not good enough to depend upon some official outside to provide us with the information because there may be questions to be asked in the House, some clarification that has to be made; and under the House of Commons ruling only members may do that. Your information service would not be given that opportunity at all.

Mr. KNOWLES: Was it your idea that there be a verbal report?

Mr. GRAYDON: Exactly; I am speaking of verbal explanations of what is going on abroad, just as we get, at least in some respects, particulars of what is going on at home.

Mr. BOUCHER: I would suggest that the report be one of proceedings rather than a report of accomplishments or decisions.

Mr. GRAYDON: Exactly. We should have some kind of day by day or week by week reports given verbally in parliament by someone responsible in the government to do so, in order that we may be kept apprized of international affairs just as we are with respect to our own domestic affairs.

Mr. COTE: Would you plan, for instance, to have the Secretary of State for External Affairs come into the House and state the actual score with regard to our representation on various bodies?

Mr. GRAYDON: It might be done by many ministers. For example, in connection with the health conference right now, nobody knows what is going on and nobody will know until after this parliament is over. I am not reflecting on the minister now, but certainly we should be brought up to date on what is going on outside.

Mr. COTE: You would amplify the report that the minister usually makes when the conference is over by having a report every week or every fortnight?

Mr. GRAYDON: We ought to know what the score is abroad the same as we know what the score is at home.

Mr. MacINNIS: That would be a little better than having a report made in the House of Commons by either the Secretary of State for External Affairs or a member of the government who attended a meeting of the conference or the international association. Would you have the report made, say, at the beginning of the opening of the session each day, with an opportunity to ask questions; or would you suggest that there be an opportunity for debate following the delivery of these reports? Unless there be a debate, the reports would be of no great use.

Mr. GRAYDON: That could be governed by common sense. I do not think you could start off every week with a debate upon external affairs which might last all day because I think that would be, perhaps, unnecessary; but certainly, when the minister or the government makes a report to parliament, there could be three or four supplementary questions asked to clarify that report. There would be no great objection to that, and I think we could make some arrangement whereby that could be done.

The CHAIRMAN: I believe that the first suggestion you presented to us would be a matter acceptable to parliament, that is a verbal report. Immediately we get into the House the rules apply; the orders of the day are made. To a limited extent, and in most cases, they are not debatable.

Mr. GRAYDON: May I suggest this: we are all, perhaps thinking out loud with respect to this matter; but I believe it would be advisable to have an international hour every week in the House of Commons, if necessary; and if the rules do not suit us, then let us make new rules, to provide for an international hour every week. Surely one hour a week is not too much to spend on international affairs as they are today.

The CHAIRMAN: I agree with you, Mr. Graydon, that we do not go deeply or extensively enough into external affairs; but I believe that a verbal report or discussion would defeat itself in the end. I believe that a publication such as you mentioned, one that is brief and right to the point, would be a marvelous idea because, the members are not always there, even for the orders of the day. Like Mr. MacInnis, I too allow reports to pile up on my desk, then I throw them away. Would you bring your idea forward in the form of a motion at the next meeting?

Mr. GRAYDON: I would like to give it some more thought because there must be a way out of this difficulty. Let us try to find the best way.

The CHAIRMAN: I would like to ask one question of the witness, since this item deals with the Food and Agriculture Organization of the United Nations Organization. Is there a relationship between this organization and UNRRA?

The WITNESS: No, there is not. They are entirely different bodies and have entirely different purposes. UNRRA is a relief organization while this organization has nothing to do with the giving away of goods or relief assistance.

Mr. MACINNIS: I move that we adjourn.

The CHAIRMAN: I believe I heard a motion to adjourn. I want to thank Mr. Chapdelaine and the members of the committee. I take it that the item is carried? Yes, the item is carried. Would you be able to come on Tuesday? Very well, we will now adjourn until next Tuesday as a tentative date, at 11.30 a.m.

The committee adjourned to meet again on Tuesday, July 9, at 11.30 o'clock a.m.

Appendix "A"

COUNTRIES WHICH HAVE ACCEPTED MEMBERSHIP OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Australia	Iraq
Belgium	Lebanon
Bolivia	Liberia
Brazil	Luxembourg
Canada	Mexico
Chile	Netherlands
China	New Zealand
Colombia	Nicaragua
Cuba	Norway
Czechoslovakia	Panama
Denmark	Paraguay
Dominican Republic	Peru
Ecuador	Philippine Commonwealth
Egypt	Poland
France	Syria
Greece	Union of South Africa
Guatemala	United Kingdom
Haiti	United States
Honduras	Uruguay
Iceland	Venezuela
India	Yugoslavia

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Committee on External Affairs
1946

(SESSION 1946)
(HOUSE OF COMMONS)

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Publications

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(STANDING COMMITTEE)

(ON

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

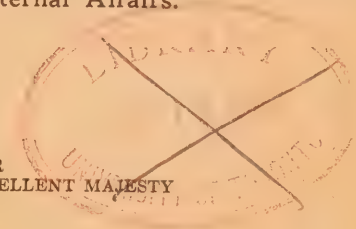
No. 13

TUESDAY, JULY 9, 1946

WITNESS:

Mr. J. A. Chapdelaine, Assistant to the Under Secretary of State, Economic Division, Department of External Affairs.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946



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Conclusions

[illegible][illegible]

Mammals

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MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 9, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, I thank you for attending our meeting so promptly this morning. We have with us again Mr. Chapdelaine, who will deal with items 52, 53 and 54. I do not think we shall have many more meetings, and we shall have to think in terms of preparing our report. I shall ask each member of the committee, orally or by letter, to let me have his reactions as to what our report should contain. I shall do this so that our report will include everything that we have in mind. We have presented only one report so far, so our next report will be our second report. I feel that the task of preparing such a report will be too much for me without your support and without your ideas and suggestions, but with your help I am confident that we will present a report which will prove not only constructive but practical. I shall now ask Mr. Chapdelaine to come forward.

Mr. J. A. Chapdelaine, Economics Division, Department of External Affairs recalled:

The WITNESS: Gentlemen, we have before us this morning three small items of the four which we have had before us and which were listed in the minutes of our last meeting. We dealt only with the largest item. I might repeat what the three items are: item 52, Portion of expenditure of the Imperial Economic Committee; item 53, Imperial Shipping Committee; item 54, Portion of expenses of International Wheat Council. I shall deal with the first two together, as they are both Imperial committees, both were started about 1925, and their terms of reference were revised in 1933 by a committee of the Imperial conference, of which Dr. Skelton, our late Under Secretary, was the chairman. The two committees bring together the countries of the Empire, as their name indicates, for some studies in trade and shipping.

The Imperial Economic Committee issues bulletins and reports on all kinds of trade subjects from the trade in canned goods to the trade in bananas and sugar, and in a sense we might say that we have full value for our money just in the way of reports which they produce, since the purchase of such market intelligence material would approach the amount of our contribution to the committee.

By Mr. Graydon:

Q. Would not that normally come under the Department of Trade and Commerce?—A. The Department of Trade and Commerce is the main recipient and user of the information. I do not know what brought that matter into our department originally, but presumably it was because of the fact that the committees were studied and their terms of reference revised at Imperial conferences at which, on the whole, the Prime Minister and his staff were represent-

ing Canada. As you know, matters of trade have always been very closely dealt with by what were often called the Three Musketeers: Mr. McKinnon, Mr. Robertson and Mr. Wilgress. Mr. Wilgress has since been replaced by Mr. Mackenzie at the head of the Department of Trade and Commerce. These committees were dormant during the war. During 1945-46 the provision for the Imperial Economic Committee was \$1,500, one-tenth of the pre-war vote; this year it is rising to \$7,900 which is half of what was paid before the war. If the committees are continued, because of the increase in costs it is expected that this year we shall be paying half of what we paid in pre-war times, next year we will pay the same as we did in pre-war years, and the following years we will pay one and one-half. I say, if the committees are continued, because with international organizations such as the FAO coming into existence there might not be the need for a committee which would duplicate that work. The Shipping Committee is not entirely in the same position.

By Mr. Fleming:

Q. Are we going to deal with these estimates one at a time, or shall we deal with the three of them together? There are some questions which I should like to ask on the first estimate.—A. I had thought of giving brief explanations and afterwards, in as far as I am able, answer questions. I thought it might be well to consider these two items together since they are closely associated.

The CHAIRMAN: Will that be satisfactory?

Mr. FLEMING: Yes, whichever way you wish to proceed.

The WITNESS: Now, the same thing applies to the Imperial Shipping Committee. For this year the provision is up to one-half of what it was in pre-war times; next year it will be the same as it was in pre-war times, and the years following it will be one and one-half.

The Imperial Shipping Committee does not produce weekly or monthly bulletins but makes general studies on request of the member. It is a small body, as you can see from the amount of its budget. Canada pays about 15 per cent of the budget. It will make studies on request. It has done a number of reports at the suggestion of Canada; reports which Canada found of great value. I have a list here on Canadian marine insurance rates, rates of freight on Canadian flour, certain aspects of the Canadian cattle trade, rates of freight on Canadian apples to the U.K., questions relating to the shipment of grain from Canadian ports at Halifax and Saint John, and Hudson Bay marine insurance rates. The results of these investigations of Canadian problems have been most helpful. The Department of Trade and Commerce is the department primarily interested in these reports.

By Mr. Graydon:

Q. Who are on the Shipping Committee from Canada?—A. Usually an official from the High Commissioner's Office in London. The work was not done by the committee's members, but by the research staff, and then discussed in committee; one of the officials at Canada House who was responsible to deal with trade and such matters represented Canada on the committee.

Q. I suppose the same thing would apply with respect to the Imperial Economic Committee?—A. Yes. I remember Mr. Pearson, in the years before the war, was the Canadian representative on the committee jointly with the present Acting High Commissioner, Mr. Hudd. In a general way, that is all I have to say on those two items.

By Mr. Fleming:

Q. May I ask in what year the Imperial Economic Committee was first set up?—A. 1925.

Q. Has it had a continuous existence since then?—A. It was dormant during the war years. Most of the personnel was loaned during the war, mainly to the Ministry of Economic Warfare and to the Ministry of Food.

Q. How did the committee come to be set up in the first place? It is purely an advisory body, I take it?—A. Yes it produces facts and studies and recommendations. It really does not give advice, except on request and as it arises from the statements of fact which it produces. It was set up on the recommendation of the Imperial Conference.

Q. And have subsequent Imperial conferences had reference to it?—A. From time to time the terms of reference have been revised to the present terms of reference as established by the Imperial Conference of 1933. I might put on the record the purposes and functions of the committee as established in 1933:

2. The functions of the committee are:

(1) To complete the series of investigations into the possibility of improving the methods of preparing for market and marketing within the United Kingdom the food products of the overseas parts of the Empire with a view to increasing the consumption of such products in the United Kingdom in preference to imports from foreign countries, and to promote the interests of both producers and consumers.

You can well see the date stamped on that statement—1933.

(2) To undertake enquiries into the production for export and the marketing in various parts of the world of the raw materials enumerated in the Fifteenth Report of the Imperial Economic Committee.

(3) To prepare, on obtaining the approval of the governments of the Commonwealth, preliminary surveys of any branch of Empire trade and marketing, such as were contemplated in the recommendation of the Imperial Conference of 1926.

(4) To carry out any investigations arising out of recommendations contained in reports submitted by the General Economic Committee and adopted by the Imperial Conference of 1930.

(5) To facilitate conferences among those engaged in particular industries in various parts of the Commonwealth.

(6) To examine and report on any economic question which the governments of the Commonwealth may agree to refer to the committee.

(7) To undertake the following services transferred from the Empire Marketing Board, viz.:

(a) periodical market intelligence notes, and

(b) world surveys of production and trade (including those embraced by the "Commodity" series issued by the Empire Marketing Board).

(8) To make proposals to governments in regard to other economic services and enquiries which, in its view, should be conducted on a co-operative basis, it being understood that this does not give to the committee any power to initiate proposals regarding consultation in respect of economic policy.

Q. Those are the present terms of reference?—A. Yes.

Q. When were they established?—A. In 1933.

Q. There has been no variation since?—A. No.

Q. You mention the reports of the Imperial Economic Committee; to whom are those reports made?—A. To the different countries which participate.

Q. I take it they are made to the governments?—A. Yes, to the governments.

Q. And in the case of Canada the reports go to the Department of External Affairs?—A. They would go, in fact, to the people who represent us on the

committees. They are transmitted by them and are used here by the different government departments interested. Publications, which were by far the more numerous, were mailed direct for time saving.

Q. I take it that these are not public documents?—A. The publications were. They were also on sale to interested parties. They are a collection of statistics, such things as you would get, I presume, from the Bureau of Statistics here, except that they were probably fresher than when they were published in annual statistical reports.

Q. That document you are reading from, containing present moment references, also had reference to reports of Imperial conferences in 1926 and, I think, other years?—A. 1930.

Q. And 1926?—A. Yes, there is reference to them.

Q. Actually the relative or relevant extracts from these reports contain complete—A. I do not have them here, but I could easily have them given to the reporter and have them put on the record.

Q. Are they very lengthy?—A. I do not think so. I am afraid I have not gone that far back but I believe there would only be a few paragraphs in each case.

Q. It would be helpful to have that on the record. May I ask this question: has the government attempted at any time to issue in print these reports for public consumption or to compile them for a period of time?—A. I believe a great deal of what appeared there was put into the Commercial Intelligence Journal of the Department of Trade and Commerce.

By Mr. Beaudoin:

Q. Do other countries issue publications for public consumption?—A. Empire countries?

Q. Yes.—A. They probably would make them available to the public through publications of their own. That I would expect, but I am not certain.

Q. The terms of reference you read were made in the light, I suppose, of the Imperial agreements at Ottawa?—A. I made a casual reference at the time to the year they came out. The United Kingdom was at that time revising its economic policy toward Empire trade in part as a result, I expect, of the difficulties in world markets.

Q. Did I hear you say that this committee had not been sitting during the war?—A. No, not during the war. Nor have any of its publications been issued for the main reason that they gave valuable trade intelligence which there was no point in circularizing for use by other than our own people.

Q. And when do you expect they will resume their sittings?—A. They are beginning to sit this year. There is a meeting called for this summer at which the main item on the agenda will be whether there is any advantage in continuing the work of the committee in view of the parallel services now being initiated by such organizations as the Food and Agriculture Organization.

By Mr. Boucher:

Q. These matters should be under Trade and Commerce, except that the Department of External Affairs is the agent for them?—A. Yes, they are of much greater interest to that department in its day to day work than they are to our department, I agree.

By Mr. Fleming:

Q. What is the view of the department as to the desirability of continuing the Imperial Economic Committee in the light of the Food and Agriculture publication?—A. It is difficult for me to elaborate on future policy.

Q. I will not press that question. We are asked to approve an estimate, and if the decision should be adverse, or if the Canadian representatives on the committee should in any way oppose the functioning of the Imperial Economic Committee there would not be very much point in approving this estimate?—A. Except for the present year. We would have a certain responsibility in regard to the winding up of the committee as we have participated in it, and the winding up may involve certain expenses. I do not know whether if in these particular cases it would involve pension schemes, but certainly separation payments to the small staff that is now coming back from their wartime employment.

Q. I should like to hear some statement from the department as to its policy with regard to the continuance of the Imperial Economic Committee. I do not know whether Mr. Chapdelaine is the person to give us that statement.

Mr. LEGER: Mr. Chapdelaine said just now that there would be a meeting.

The WITNESS: There will be a meeting this summer at which this matter will be threshed out.

Mr. LEGER: Therefore, there will be expense incurred for the meeting?

The WITNESS: No, delegates to the meeting would have their expenses paid out of the funds of the committee. In fact, they would quite presumably be people who are at our High Commissioner's Office in London.

Mr. MACINNIS: I do not think we need press the matter here as the item will come up in the House of Commons when we have the Secretary of State for External Affairs before us.

Mr. GRAYDON: It is a matter of government policy, I take it, as to whether or not the committee would be continued. I am rather inclined to think that Mr. MacInnis' point is well taken there, because I fancy Mr. Chapdelaine is not in a position to indicate government policy with respect to matters as broad as this.

The WITNESS: I agree.

Mr. GRAYDON: It seems to me, however, that we ought to stop, look and listen before we finally decide to abandon the Imperial Economic Committee. That is a matter that can be threshed out later, as Mr. MacInnis said a moment ago.

By Mr. Fleming:

Q. I have a couple of questions to ask about the Shipping Committee. I wonder if Mr. Chapdelaine would indicate when that committee was first set up and would say something about its continued existence and its status? That is much the same question as I asked about the Imperial Economic Committee.—A. I think the answer to that question is very much the same as the answer to the other one. It was set up at the same time and the terms of reference revised in 1933 and was dormant during the war. At the moment there is a question mark as to its future. Again, that committee will meet this summer to decide on its future. The decision as to its future might be influenced in a different way from the Economic Committee by the fact that there is no international body as yet constituted which would provide parallel services. There might be something in the International Trade Organization, but that is still very much in the realm of discussion, and I do not know what the I.T.O. will end up being and doing.

By Mr. Graydon:

Q. In any event, the I.T.O., according to the information given in parliament the other day, will not meet in its plenary session until 1947?—A. Correct.

Q. There is a preparatory committee meeting at the instance of the Social and Economic Council this fall, but the plenary session could not possibly be convened until 1947—the middle of that year?—A. Yes, it would not be

established and functioning until later in the year. There is another point of difference. In a sense this committee is more ad hoc; it does not provide a constant flow of services; it performs services on request; it studies questions when it is requested to do so.

By Mr. Beaudoin:

Q. How many times did it sit between 1933 and 1939, approximately? Did it hold one meeting a year or two meetings?—A. No; more often. I would say it met 3 or 4 times a year, it held meetings of the representatives on the committee to receive the reports of the working staff on any particular subject of which they had been asked to make a study.

By Mr. MacInnis:

Q. Do you know the estimate of the expenditure for this particular item, say, in 1938?—A. It was double what it is this year. This year it is half of what it was pre-war; next year, if the committee continues, it will be the same as it was pre-war; and the year after it would be one and one-half because of the increased costs of help, stationery, office space, etc.

By Mr. Fleming:

Q. What are the expenses as broken down between the participants?—A. In both cases the share of expenses is the same. The United Kingdom and the Colonial Empire pay 35 units of contribution; Canada pays 16 units; Australia pays 14 units; India and Burma together pay 12 units; South Africa pays 8 units; New Zealand pays 8 units; Ireland pays 4 units; Southern Rhodesia pays 2 units, and Newfoundland pays 1 unit.

By Mr. MacInnis:

Q. If we are to have closer co-operation between the various parts of the Commonwealth and the Empire, and I think we should have—I think that is the policy now—I think we should consider changing "Imperial" to some less undesirable connotation; use the word "Commonwealth" or even "Empire".

MR. GRAYDON: "Imperial" means "Empire", does it not?

THE WITNESS: There is one additional point in connection with both these matters. There are more and more of these services which have been in a sense duplicated within governments. During the war the Ministry of Economic Warfare and the Ministry of Food in Great Britain had taken over the personnel and had done for themselves much of this kind of work; and the same thing was being done in Ottawa by the Shipping Board with the expansion of Canadian interest in wartime shipping; in the case of the Economic Committee we have more trade commissioners abroad who report on each of these items on which the Committee worked; this work might make the central service less valuable because of the fact that we can compile pretty much the same information here from what we receive from the four corners of the globe. That would be a point which would be given consideration at the meetings, this summer.

MR. GRAYDON: Apropos of Mr. MacInnis' suggestion that the word "Imperial" has some significance which "Empire" has not, is not "Imperial" simply the adjective and "Empire" the noun? I do not think one is different from the other.

By Mr. Fleming:

Q. Actually, the committee is wider in scope than the Commonwealth because it takes in the Colonial Empire; the committee is wider than the Commonwealth because it embraces as well the Colonial Empire.—A. (Witness answers off the record.)

Mr. FLEMING: Mr. Chairman, these two items are to provide for a portion of the expenditure. I take it that the expenses of the Canadian delegates attending these two conferences this summer would be charged to another item?

The WITNESS: The general conference item. In fact, I would expect that these meetings would be attended by persons from the High Commissioner's Office in London, either in the trade section or from the High Commissioner's own staff.

By Mr. Fleming:

Q. These two meetings are to be held in London, are they?—A. Yes.

Q. Has any attempt been made to secure the holding of the meetings in Canada?—A. The committees have their home and abode in London; the offices are there and the staffs are there. As I said, in the years before the war the members of the committees were persons who were attached to the offices in London of the different countries represented.

By Mr. Beaudoin:

Q. Is there a permanent secretariat?—A. Yes, the expenditure is in part for wages for the permanent secretariat and in part for the collection of information and its distribution.

Q. Who is the permanent secretary?—A. The secretary was Sir David Chadwick, who recently resigned and who has been replaced by Mr. G. S. Dunnett.

Q. Can they be replaced without the question being decided?—A. The question was decided at a meeting of the financial committee not so long ago, when the present budget was discussed.

Q. Has this general Economic Committee subcommittees?—A. Yes, it has a financial committee.

Q. Has it power to replace the permanent secretary if necessary?—A. After Sir David Chadwick's resignation the former assistant secretary was considered a good man to replace him, and his name was suggested.

Q. Temporarily?—A. Yes, at the moment he is acting.

Q. Most of your remarks concerning the Economic Committee apply also to the Shipping Committee, do they not?—A. In a general way, except for the two or three differences to which I have referred.

Q. Do you expect the Shipping Committee also to wind up its operations?—A. In a sense it is less likely because there are certain considerations which apply in its case which do not apply in the other case, such as the fact that there is no parallel service.

The CHAIRMAN: Shall the item carry?

Carried.

Now, Mr. Chapdelaine, can you deal with item 54?

The WITNESS: Yes, that is the next item: "Portion of expenses of International Wheat Council, \$3,000." The International Wheat Council has an allocation this year of \$3,000 compared with \$4,000 last year. I may say that the main reason for the reduction is that the Council is in the process of expanding its membership and, therefore, there will be more countries contributing to the small fund required to keep the secretariat going.

By Mr. Jaenicke:

Q. Where is it situated?—A. In Washington. I shall give some facts with regard to its history.

Q. And its purposes?—A. The International Wheat Council was set up in August 1942 by the signing of a memorandum of agreement between Canada and four other countries: Australia, the Argentine, the United States and the United Kingdom. The memorandum of agreement has as its appendix a draft

agreement which has not come into force except in one respect, by which a Wheat Relief Pool was provided for. In time of war, it was expected that there would be need of a relief pool. The memorandum of agreement came into force on the initialling by the five countries concerned.

Q. Could we have a copy of the proposed agreement on record?—A. I have it here. It is published in the treaty series of our department, and is a matter of some twenty pages.

Mr. FLEMING: Will you give us the reference for the record?

The WITNESS: Treaty Series, 1942, No. 11.

By Mr. Jaenicke:

Q. Will you tell us now which paragraphs are in force?—A. In the memorandum of agreement, which is the first part of this booklet, it refers to the sections of the draft convention annexed thereto which are coming into force; it might be interesting to have on the record the section which refers to Relief Pool, it gives the quantities which were expected to be provided by each of the member countries which initialled the memorandum of agreement. It is article 6, section 2:

The governments of Canada, the United Kingdom and the United States of America shall give to the pool, as and when required by the Council, 25, 25 and 50 million bushels respectively of wheat, or its equivalent in whole or in part in flour, f.o.b. seaboard port in the country of origin.

It was later agreed by the Council that the organization which would be the recipient and distributor of this pool would be UNRRA and those quantities were transferred to UNRRA. I think, the first year of UNRRA operations, that is the summer of 1945.

Q. As a gift?—A. Yes.

By Mr. Fleming:

Q. Russia was never on the International Wheat Council?—A. No. At the moment the Council consists of these five countries, and at a recent meeting of the executive committee of the Council—in February or March of this year—they issued invitations to some twelve countries interested either as exporters or importers to become members of the Council as it stands at the present time, and to discuss whatever revisions might be required in the agreement for ultimate signature by all.

By Mr. Beaudoin:

Q. Originally were five signatory states the minimum required for the coming into force of the agreement?—A. I am sorry—

Q. Originally when this was first formed, were five signatory states the minimum required for the coming into force of the agreement?—A. No, it was intended from the first that at some future date these five key countries would invite other countries interested in international trade in wheat to discuss this convention and join together in a general convention. At the time, as you can imagine, there was not much room for international discussion of wheat because of the war. Hungary, for example, which is an important wheat-producing country, was not only in the war but was on the side of the enemy.

By Mr. Fleming:

Q. What is the advantage in carrying on the International Wheat Council if we have the establishment of the Food and Agriculture Organization?—A. Well, that is, I am afraid, a very complicated question. I say that to explain in advance the inadequacy of my answer; but both under the Food and Agricul-

ture Organization and under the International Trade Organization it is expected that there will be room for the establishment of commodity agreements in regard to a number of the main commodities which move into international trade. It is expected that wheat might well become one. You might have some general agreements as there was before the war in rubber, tin, and other raw materials, not necessarily in the same form and with guarantees that both producers and consumers would participate fully in the management of the commodity.

By Mr. Jaenicke:

Q. Does the convention itself make provision for the admission of other countries?—A. The draft convention?

Q. Yes.—A. The convention itself was not signed; it is only an appendix to the memorandum of agreement for later discussion and signature by a large number of countries; out of the discussions this convention was drafted for presentation to the interested countries at a general meeting on the subject.

The CHAIRMAN: Shall the item carry?

Carried.

By Mr. Fleming:

Q. I think it would be interesting to have on the record, as we have had in the case of other officials, some statement about the background of the witness and his position in the department?—A. I might start with the present and go back. I am a member of the Economic Division of the department doing some of the work of the division as well as acting as assistant to the Under Secretary in his office. I have done this work for over a year. Before that I was in the division proper. I had three years of service in the Embassy in Washington—from 1940 to 1943—and entered the department in December 1937 as a third secretary.

As to education, I attended St. Mary's College in Montreal—

By Mr. Beaudoin:

Q. You qualified for the position according to Civil Service requirements?—

A. Oh, yes, I took the examination.

Q. I do not think you have to go into your past history as far as your education is concerned.—A. I have my B.A. from the University of Montreal and I studied at Oxford for three years afterwards. At the end of that I was a successful candidate in the examination for the Department.

By Mr. Fleming:

Q. Are you a Rhodes scholar?—A. Yes.

The CHAIRMAN: We have dealt with item 55, which was taken up with item 47. Do you wish to enlarge on that?

The WITNESS: No, I do not think so.

The CHAIRMAN: There is the item of the annuity to the Hon. Philippe Roy; there is the item of salaries and expenses of the International Joint Commission; there is the Department of External Affairs in the estimates on page 66, items 485 and 486, to provide for payment of employees' claims for loss or damage to personal effects.

The WITNESS: I am not in a position to discuss those items; they fall under another division in the department.

The CHAIRMAN: Are there any further questions? If not, I believe I am in order in thanking you for the information you have given us this morning and at our last meeting. I thank you very much.

Mr. FLEMING: Were any of the supplementary estimates referred to us?

The CHAIRMAN: I understood they were fully covered by a motion of the Minister of Justice.

Mr. FLEMING: A later motion?

The CHAIRMAN: Page 66, item 485 of the Estimates, to provide for payment of employees' claims for loss or damage to personal effects which they were compelled to leave behind when they had to leave their posts due to the war, \$10,000. Will it be necessary to bring an official of the department to deal with that item?

The CLERK OF THE COMMITTEE: Mr. Chairman, votes 485 and 486 and the supplementary estimates have not been referred yet to the Committee and they do not, of course, appear on the official order of reference.

Mr. LEGER: We could get that information in the House of Commons when the estimates come up.

Mr. MACINNIS: I believe the matter was raised by Mr. Fleming.

Mr. FLEMING: What about items 632 and 637 in the supplementary estimates? How do they stand as regards the terms of reference?

The CHAIRMAN: The Minister of Justice gave me the impression he was absolutely satisfied to give us the items appertaining to External Affairs.

Mr. LEGER: Mr. Chairman, if we have no term of reference I do not think we can deal with these matters.

The CHAIRMAN: I will see the minister this afternoon. It will not take very long, because he is familiar with our request. Will you leave that matter to the chair? At the next meeting we could have the proper official here and I think we could finish the study of these items. I was going to mention the matter that was brought up at our last meeting, I am sorry that Mr. Graydon has left the room. The following suggestions have been made by the following members:

Mr. COTE,—

That C.I.S. be asked to supply parliament with an up-to-date synopsis of all international conferences in which Canada has an interest and that this be done promptly and frequently.

Mr. GRAYDON,—

That the House be given a verbal report by the Minister of External Affairs or the minister responsible, regularly on all affairs, conferences, etc., dealing with matters of an external nature.

Mr. GRAYDON,—

That the House devote one hour per week to keeping members informed on latest developments in international conferences, etc.

I believe we will leave that for our report.

Before we adjourn may I repeat my earlier request to the members of this committee that they express to me their sentiments and opinions on what should be included in the report, both orally and in writing. I shall send the members a letter in this regard. I believe such expressions of opinion would be of great help to me.

Mr. FRASER: Will you give us a lead in your letter as to what suggestions you want on these different matters?

The CHAIRMAN: I will leave that pretty well to the initiative of the members.

The committee adjourned to meet at the call of the chair.

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HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

FRIDAY, JULY 12, 1946

FRIDAY, JULY 19, 1946

WITNESSES:

Mr. S. J. Zacks, President, Zionist Council of Canada.
Mr. M. Garber, Vice-President, Zionist Council of Canada.
Mr. H. Mowat, Secretary, Canadian Palestine Committee.

OTTAWA
EDMOND CLOUTIER, B.A., L.Ph., C.M.G.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1946

MINUTES OF PROCEEDINGS

FRIDAY, July 12, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Benidickson, Bradette, Diefenbaker, Graydon, Hackett, Jackman, Jaenicke, Jaques, Knowles, Leger, Low, MacInnis, Winkler.

The Chairman announced he had received a telegram from the Zionist Organization of Canada, and also a telephone request from the Canadian Palestine Committee requesting permission to have representatives appear before the Committee and make statements as to the present situation in Palestine.

On a motion by Mr. MacInnis, it was resolved that both organizations be heard at the next meeting.

On a motion by Mr. Low, the Committee agreed that if representatives of the Arab Organizations wished to make representations also, they be given the same facilities as the Zionist group.

At this point the Committee met in camera to discuss its next report to the House.

At 12.25 p.m. the Committee adjourned to meet again at 10.30 a.m., Tuesday, July 16.

FRIDAY, July 19, 1946.

The Standing Committee on External Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Beaudoin, Benidickson, Bradette, Coldwell, Croll, Fraser, Graydon, Jackman, Jaenicke, Jaques, Kidd, Knowles, Leger, Low, MacInnis, MacLean, Mutch, Sinclair (*Ontario*), Winkler.

In attendance: Messrs. S. J. Zacks, President United Zionist Council of Canada; M. Garber, Vice-President United Zionist Council of Canada; H. Mowat, Secretary Canadian Palestine Committee; J. Jacobson, Halifax; N. Levitsky, Montreal; H. Freedman, K.C., Edmonton; M. Gelber, Toronto, L. Freiman, Ottawa; Mr. and Mrs. Batstone, Toronto, and Mrs. Raginsky, President, Hadassah, Montreal.

The delegation in attendance to present the Zionist views on the Palestine situation were introduced by Mr. Croll who also gave a short address on the question.

Mr. Zacks read a brief on behalf of the Canadian Zionist Council.

Mr. Mowat read a brief of the Canadian Palestine Friendship Committee, supplemented by extemporaneous remarks.

Mr. Garber gave a short address.

The witnesses were questioned by members of the Committee and the time for adjournment having been reached, it was decided,—

On the motion of Mr. Leger to resume examination of witnesses at the next meeting of committee to be held on Monday July 22, 1946, at 10.30 a.m.

On motion of Mr. Low the meeting adjourned at 1.15 p.m.

F. J. CORCORAN,
Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 12, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum and I shall call the meeting to order. This morning we shall likely spend most of our time formulating our report, but before we proceed to that I wish to get the feeling of the committee on one matter. On July 10 I received the following telegram:—

Montreal, Que., July 10, 1946.

Joseph Arthur BRADETTE, M.P.,
House of Commons,
Ottawa.

In the light of the present situation in Palestine and of the interest of the Canadian public in developments in that country over which Great Britain holds a mandate endorsed by Canada we respectfully request the External Affairs Committee of the House of Commons to give the representatives of the Zionist Organization of Canada an opportunity to appear before the committee sometime next week to discuss with them the issues involved. Will telephone you to-morrow to ascertain decision.

SAMUEL J. ZACKS.

President, Zionist Organization of Canada, 527 Sherbrooke St. West.

Yesterday I had a visit from Mr. Herbert A. Mowat who, I believe, is president of the Canadian Palestine Committee and who also would like to appear at the same time Mr. Zacks appears. I shall leave the decision to members of the committee. Discussion is welcome on the point.

Mr. DIEFENBAKER: Is there any reason why we should not hear them? It is a subject that is very much to the fore at present and it is of interest everywhere in the world.

Mr. LEGER: Mr. Chairman, we have had a reference from the House to examine External Affairs estimates and I believe we have reached the end of our work. Considering the telegramme you have read to us I do not see what good could result from our taking any action on it. It is a situation that Great Britain is taking care of, and I cannot see what we can do to remedy the situation. I think we should leave that matter to the nation which is looking after it.

Mr. Low: There is no reason why we should not grant this privilege to the Zionist organization. In fact, I feel that the committee might glean a good deal of information by doing so and obtain a better understanding of the whole situation. I do think, however, Mr. Chairman, that as there are two sides to the question, if we agree to allow the Zionist Committee to make a submission to this committee we should accord the same privilege to the Arabs.

The CHAIRMAN: Mr. Diefenbaker was speaking on this subject too.

Mr. DIEFENBAKER: My view is that there has been a request, and I think it is a reasonable request. I see no reason why the Jewish people should not be given an opportunity of making their representations here with regard to this situation.

Mr. MACINNIS: I move that these people be notified that we are willing to hear them.

Mr. JQUES: I have been advocating this from the very first meeting, in fact before that; but I agree to this on the understanding that if we hear one side we will also hear the other side. If we are going to hear only the Zionists then I am absolutely and utterly opposed to this motion.

The CHAIRMAN: You understand, Mr. Jaques, that this matter does not originate with our committee; it originates with a wire which came from Mr. Zacks. There has been no pressure from this committee. I suppose it will be in order to notify the Arabs after we have heard Mr. Zacks and Mr. Mowat.

Mr. Low: Let them make their own request. If they do make a request to be heard I would like to have it understood that this motion includes our willingness to hear both sides.

Mr. MACINNIS: May I say for Mr. Low's benefit that I am quite in favour of hearing the other side if they want to be heard.

Mr. Low: That is right; if they want to be heard.

Mr. JACKMAN: If they apply.

Mr. MACINNIS: This matter should be made public so that the Arabs will know that the Zionists have asked for this privilege.

Mr. LEGER: Before we decide to hear these two witnesses I would like to mention that we are getting close to the end of the session.

Mr. MACINNIS: He is an optimist.

Mr. LEGER: Within a month, anyway. We all belong to a good many committees. Personally I belong to two committees, and I cannot spread myself in more than one place. We have been sitting in this committee for quite some time, and it is only for that reason that I am opposed to this action. May I say that we should be careful that no reflection is made regarding Great Britain who has that situation in hand.

The CHAIRMAN: Of course, we are protected to the extent that we are not going to make any recommendation on these representations.

Mr. Low: That is right.

The CHAIRMAN: We will give both sides all the latitude they want but we cannot make any recommendation.

Mr. Low: That is my view.

The CHAIRMAN: It has been moved by Mr. MacInnis and seconded by Mr. Knowles that the two organizations which have made application to be heard by this committee be informed that the committee will hear them.

Mr. Low: Does that motion include both sides of the case? If the Arabs make a request we should also hear them.

The CHAIRMAN: I believe we should have a separate motion. Shall we carry this motion?

Carried.

Now, Mr. Low, will you present your motion?

Mr. Low: I move that if the Arabs wish to make a submission to the external Affairs Committee and express their desire to you to do so, sir, that we also accord them the same privilege as we have accorded to the Zionist organizations.

The CHAIRMAN: Shall that motion carry?

Carried.

We all realize that we are treading on new ground. Personally, I am not afraid of that new ground because it might afford a way for this committee to keep the public alert on this contentious question.

(The committee continued in camera.)

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 19, 1946.

The Standing Committee on External Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we will now call the meeting to order. This meeting will be almost an epochal one as far as the activities of the committee on External Affairs is concerned, because we have before us today a body of men and women who are going to bring to our attention and to the attention of the country at large, through this committee, a very very important problem throughout the whole world. We have with us this morning Mr. S. J. Zacks, president of the United Zionist Council, Mr. M. Garber, K.C., of Montreal, Mr. and Mrs. Harry Batshaw, K.C., of Toronto, Mr. Harry Friedman, K.C., of Edmonton, Mrs. A. Raginsky, president of Hadassah, Montreal, Mr. M. Gelber of Toronto, Mr. S. Jacobson, of Halifax, Mr. N. Levitsky, Barrister, of Montreal, Mr. Herbert A. Mowat, of the Canadian Palestine Committee, and Mr. Lawrence Freiman of Ottawa.

In this instance, as in an ordinary meeting of the committee we shall follow the usual procedure. The speakers will present their briefs, and following that, they will be open for questioning by members of the committee. I shall now call upon Mr. David Croll, a member of this committee, to make the opening remarks.

Mr. CROLL: Mr. Chairman, ladies and gentlemen, I would like to say just a few words by way of introduction and by way of introducing this very distinguished committee which is here this morning.

The Zionist organization of Canada, of which I am, of course, a member, for your information reaches into every home in every Jewish community in the country. Even people who are not members of the Zionist organization—a very infinitesimal number—are very interested in its activities and they make contributions.

There are a great number of lesser Jewish bodies in the country, but I think it is fair to say that the Zionist organization represents the Jewish mind as does no other group in the Dominion of Canada. I want to thank the chairman and particularly the leaders, Mr. Graydon, Mr. Coldwell, and Mr. Low, with whom I have discussed this matter before. It was decided to hold this meeting with their cooperation. They were not only cooperative, they were enthusiastic about it, because of the significance of the present events in Palestine is, I believe, imperfectly understood by a large number of the public.

It is not, perhaps, for Canada to propose a final solution to the vexing problem of Palestine, although as one of the fifty-two signatories of the League of Nations Mandate, Canada has a responsibility. It is that responsibility that we want to bring to your attention today.

From the standpoint of humanity, we cannot stand aside and refuse to interest ourselves in a problem involving the fate of millions of men and women—and I emphasize—who fought on the side of the allies in this war, and who were the earliest and most defenceless of Hitler's victims.

We may not be called upon to solve the problem, but I think we have a duty and a responsibility to inform ourselves of the facts of the situation and to try to ascertain on which side justice lies. This we can do best by examining, for just a few minutes, the background against which the events of today are projected.

There seems to be a pattern of violence running through the history of contemporary Palestine which may seem inexplicable to many people. Our purpose here today is to try to understand what is happening in that very small, very lovely, but very strategic area of the world. When I listen to discussions on events in Palestine, I hear from many quarters this question: "Well, what are they fighting about anyway?"

Perhaps it is a little hard for some of us here in Canada who have never known want or fear or starvation, who have never witnessed the brutal slaughter of our loved ones, to understand just "what they are fighting about". But I think the answer is a very simple one. They are fighting for justice.

I recall to this committee that some thirty years ago Britain, partly for reasons of strategic importance, and partly through genuine humanitarian motives, offered the Jews a national home in Palestine. This offer was embodied in the Balfour Declaration and in the League Mandate and was signed by fifty-two nations including Canada. The signatories to this document have pledged themselves to a course of action, and it becomes a question of honour that their pledge be fulfilled. That is my first point.

My second point is that in the past ten years the Jews of Europe have suffered untold horrors. Six millions of them were put to death—more than half the population of Canada—and the remnant that has been saved from Hitler's slaughter-house finds neither haven nor peace in Europe to-day. Their families are dead, their properties destroyed or disposed of, often legally, to people who don't want to give it up. In other words, they are excluded socially and economically from Europe which was their home. The Jews of Germany and Poland have passed through a bondage infinitely worse than that they knew in the land of Egypt. It becomes a question of humanity that we render them all the aid in our power.

While I do not condone terrorism, I do condemn heartily a policy which makes violence inevitable. For thirty years, from the Balfour declaration to the Anglo-American Committee's report, the pledge of Palestine as a Jewish haven has been reiterated. That pledge must be fulfilled. Justice asks it and humanity demands it. The Jews of Europe who were always Britain's friends, are to-day in concentration camps, while Britain's arch enemy, the Mufti of Jerusalem, goes free to do his mischief. Moshe Schertok, the man who raised 25,000 fighting soldiers in Palestine, is now behind barbed wire. The Jews of Europe who suffered so grievously cannot go back to a land of barbed wire and pogroms. They have always been a freedom loving people. They must be given the opportunity to live again free lives.

What is Canada's duty in all this? We cannot sign documents without taking some of the responsibility. We have, with others, jointly pledged ourselves to help reconstitute the Jewish national home in Palestine. Events of the past thirty years have shown difficulties in the way of bringing that about—yet they are not insuperable. The Anglo-American committee has proposed, if not a solution, at least a *modus vivendi*. All that this committee asks is that some method be found whereby these findings may be implemented. That, in the name of justice and humanity, is the very least that we can do.

I want to put on the record—and all the members of the House have received the speeches on Palestine in their mail—the statement made by Dr. Hugh Dalton in May, 1945.

Mr. GRAYDON: His speech was made in the British House?

Mr. CROLL: Yes, his speech was made in the British House.

It is morally wrong and politically indefensible to impose obstacles to the entry into Palestine now of any Jews who desire to go there . . .

What we have declared at this stage, however, is that if they, the Jews, desire to go to Palestine we should not stand in their way, but,

on the contrary, we should facilitate their going by the provision of various kinds of economic assistance in various forms for the development of the Land of Promise and Hope in a world which, for the Jews, has been blackened to an extent which none of us who are not Jews can begin to appreciate or to understand.

That is by Dr. Hugh Dalton, Chancellor of the Exchequer.

Then there is a very interesting statement made in December, 1944 at the Annual Conference of the British Labour Party by a distinguished gentleman, who is now the Prime Minister of England, the Right Honourable Mr. C. R. Attlee. It says:

Here we have halted half-way, irresolute between conflicting policies. But there is surely neither hope nor meaning in a "Jewish National Home" unless we are prepared to let Jews, if they wish, enter this tiny land in such numbers as to become a majority. There was a strong case for this before the war. There is an irresistible case now, after the unspeakable atrocities of the cold and calculated German Nazi plan to exterminate all Jews in Europe. Here, too, in Palestine surely is a case, on human grounds, and to promote a stable settlement, for transfer of population. Let the Arabs be encouraged to move out as the Jews move in. Let them be compensated handsomely for their land and let their settlement elsewhere be carefully organized and generously financed. The Arabs have many wide territories of their own; they must not claim to exclude the Jews from this small area of Palestine, less than the size of Wales. Indeed, we should re-examine also the possibility of extending the present Palestinian boundaries, by agreement with Egypt, Syria or Transjordan. Moreover, we should seek to win the full sympathy and support both of the American and Russian Governments for the execution of this Palestinian policy.

Then one more word. I picked up a *Toronto Star* of yesterday, and this article came to my immediate attention. It is dated Rio de Janeiro, July 16.

Joao Alberto Lins de Barros, president of the Brazilian immigration council said to-day on his return from the U.S. that it was proposed to take 100,000 central European immigrants to Brazil, the majority from displaced persons camps in Germany and Austria. Special United Nations commission would leave for Brazil July 25 to study the possibilities of moving the immigrants, he said. Mr. Lins de Barros formerly served as Brazil's diplomatic representative in Ottawa.

I have no doubt he learned considerable about immigration while in this country.

I am sorry, but there are at least four of us here who must leave before 11.00 o'clock to attend another committee, but I feel sure, and I say to all people in the room, that they are in safe hands, and that this committee will give this matter not only study but will make some report with respect to this matter.

The CHAIRMAN: I will now call on Mr. S. J. Zacks, president of the United Zionist Council.

S. J. Sacks, President of United Zionist Council, called.

The WITNESS: Mr. Chairman, ladies and gentlemen, before entering into a discussion of the problem at hand, I should like to express the gratitude of the United Zionists' Council and affiliated bodies for the courtesy shown us in allotting this time for the presentation of a brief to your committee.

I would like to apologize if there is in this brief a repetition of some of the statements made by Mr. Croll. We did not get together beforehand, and the logic of the case and the sequence of the case mentions some of the matters of which Mr. Croll spoke.

We are all very much disturbed by reports of the recent events in Palestine. We come here to-day in the hope that we may be able to shed some light on the events of the last few years. As Canadians and persons earnestly concerned with the equitable and peaceful solution of world problems, we also come here asking for your help.

The pre-war tragedy of European Jewry, which concerned us all, has become dwarfed in comparison with the torment wrought by the German hordes. The enormity of the suffering that took a toll of 6,000,000 Jewish lives has not yet been understood by those who live beyond the pale of tyranny. Members of this committee might picture half of the population of Canada brutally despoiled and done to death with a savagery beyond the ken of civilized men.

A remnant persevered. Through all the horror and infamy, in simple men and women burned deep the hope that some day they would find freedom and live to see a world where love of God triumphed over the tyrant's creed.

Now, fourteen months after the cessation of hostilities in Europe, more than 100,000 displaced Jews live unwanted behind barbed wire in camps administered by Allied Military Government. In addition, many times that number merely exist from day to day among the 6,000,000 graves in that Europe where Hitler's legions have been vanquished, but where his spirit lives on. The almost daily reports of the murder of hapless Jews gives bitter reproof to those, who, like Mr. Bevin, would send them back to be the keepers of the gravestones of their people. Recent events in Poland, where 800 Jews have been murdered, will make for an immediate increase in the displaced person problem to, possibly, many times that faced by the Anglo-American Committee of Enquiry. And wherever these Anglo-American investigators went on their tireless missions they met the same cry—either Palestine or death. We are tired; we cannot remain here. We are tired of resisting. We would like to go to our home. Naturally, every person who is uprooted wants to go home.

I would like to submit a few statements of well-known figures on the historical and legal aspects of this problem.

Speaking in the House of Lords, June 27, 1923, the Colonial Secretary, the Duke of Devonshire, stated:—

The mandate is not merely a national obligation; it is an international obligation, and the Balfour declaration was the basis on which we accepted from the principal allied powers the position of mandatory power in Palestine.

Field Marshal, Rt. Hon. J. C. Smuts, who was a member of the Imperial War Cabinet in 1917, informed the Anglo-American Committee of Enquiry:—

All I wish to emphasize in this statement is that the Balfour declaration, made by the British government, assented to by the American and French governments, and subsequently solemnly confirmed in the mandate by the nations of the League—is a solemn and sacrosanct document, embodying a long range policy of Jewish immigration into Palestine, that it should be treated with respect as such, and that the fundamental rights thereby assured to the Jewish people should not be abridged or tampered with more than is absolutely necessary under the circumstances of the case.

The Royal Commission of 1937 under Lord Peel answered the claim put forward by those who would whittle away the obligation to the Jews by stating:—

Unquestionably, the primary purpose of the Mandate, as expressed in its preamble and its articles, is to promote the establishment of the Jewish national Home. (p. 39)

The touchstone of Zionist policy has always been co-operation with the mandatory power and the failure to carry out its commitment to the Jewish people has been viewed more in sorrow than in anger. Despite such co-operation, the government of Mr. Neville Chamberlain in 1939 announced the White Paper, which renounced the most solemn international engagements to the Jews. The Mandates Commission of the League declared this new policy to be illegal and the Labour Party refused to be bound by it.

Zionist efforts in Palestine which provided a new home for more than half a million Jews opened up wide opportunities for Arabs as well who have flocked in from all over the Near and Middle East.

Incidentally, more Arabs came to Palestine than to any other country. The Arab population in the last 25 years in Palestine has doubled. I do not know of any other country in that part of the world where that has happened.

Though they own less than 7 per cent of the soil of Palestine, by reclamation and irrigation, Jews have provided a firm base for their own economy, while indirectly providing room for an expansion of the Arab economy.

We all know some of the industrial development of Palestine. Palestine became a virtual arsenal in the last war. They saved many lives by their tremendous production of war supplies. We had every man, woman and child in the fight against Fascism.

The feudal stratification of Arab society has led many Arab politicians, who are largely drawn from those classes thriving upon the exploitation of their fellows, to reject the social advances which the Jews have brought to the country. This is the language of reaction and it should be remembered that the oppressed masses are not represented when the name of the Arab peoples is invoked in the chancellories of the world. A leadership that appeals to the prejudices and does not represent the interests of the Arab masses must be treated as suspect. The world has yet to be told of one significant social achievement of the Palestine Arab nationalists for their own downtrodden brethren. Persons really concerned with the welfare of these people might well ask if the Arab case has yet been made by those who claim to speak in the Arab name.

The outbreak of war was truly a test of common interest. In answer to an appeal by the Jewish Agency, a mass registration of Jewish volunteers for war service totalled 85,800 men and 50,400 women. It was proposed that a "Jewish fighting force" open to volunteers from Palestine and neutral countries, be formed. After protracted negotiations, the cabinet in 1941 took a favourable position, but opposition in the Middle East from officials who had been engaged in minimizing the role of the Jews in Palestine, brought the decision to nought. It was due to the personal interest of Mr. Churchill that late in 1944 a Jewish brigade group was organized.

In the first year of the war, Jews were only allowed to enlist in the proportion of one Jew for every Arab who came forward. When the British position in the Middle East became critical, the bar was dropped and more than 25,000 Palestinian Jewish volunteers saw service. The House of Commons was officially advised that 1,040 Palestinian Jewish soldiers were casualties, left behind in Greece when that small, but heroic British expeditionary force was evacuated in 1941. What percentage of the thin, valiant line that held Egypt and Suez for Britain was composed of Palestinians, we have not been allowed to learn. Sur-

rounded by treachery, Palestinian Jews volunteered by the thousands to fight. The role of others in the Near and Middle East is well known. Have not the rewards been uneven?

Dr. Chaim Weizmann, head of the Jewish agency for Palestine, expressed the paradox when he said that Hitler's collaborator, the ex-Mufti of Jerusalem "lives in a place in Egypt and Moshe Shertok, who recruited 25,000 young Jews for Britain's armies, is behind bars in the Latrum Detention camp". Why?

From two world wars, in which their contribution has been but small, the Arabs, largely through the efforts of others, have gained much and are now represented in the United Nations by five sovereign states. The recent declaration of His Majesty's Government before the Assembly of the United Nations foreshadows the entrance of another independent State, Transjordan, into the comity of nations. From one million square miles, which the Arabs had liberated for them, the nations have set aside only 10,000 square miles for the building of a national homeland for the Jewish people. But what have the Jews actually received? As a reward for their efforts, the Jews have been given barbed wire, blood and tears—barbed wire in Europe and now barbed wire in Palestine. They have a national homeland which the harried remnants from Europe may not enter. The *Illustrated London News* printed pictures of police dogs being trained to hunt down refugees on the frontiers. An iron curtain of cruisers, scouting planes and patrols has been set up to trap the harassed wanderers. Is this to be the reward of loyalty? Is this to be the peace that more than 1,250,000 Jews fought for in the armies of the United Nations? Must the leaders of the Jewish agency be spirited off to prison on the Sabbath morning and held for weeks without the laying of a charge? Must wanton destruction and the shooting of unarmed Jews be the best that the Atlantic Charter has in store for the land of Israel?

Mr. Attlee said that he would not impose a policy on Palestine by force, but what has he been doing? Why are those who were the mainspring of the Jewish war effort in concentration camps, if a policy of suppression is not being attempted?

Let us examine the history of violence in Palestine. For three years from 1936 to 1939, Jews were subjected to violence on the part of Arab gangs that were financed by Hitler and Mussolini and which got much of their support outside the country. More Arabs were the victims of this terror than Jews. Despite the presence of large bodies of troops, the violence was not suppressed. The Royal Commission of 1937 was of the opinion that the incipient revolt was not put down with sufficient vigour as a matter of policy. And yet the Jews maintained their patience.

As a result of this reign of terror, the government retreated from their obligation to the Jews.

Irresponsible, extremist Jewish groups denounced by the Jewish agency could no longer be controlled by the Zionist leaders. With the mounting tragedy in Europe, the spectacle of Hitler's victims being driven away from the very portals of freedom and the memory of the Arab victory, the strong hand of Esau rather than the wise counsel of Jacob appealed to a few.

The government say that the Jewish defence organization, Haganah, is armed. But this has been known for more than a decade. In fact the government helped to train Haganah personnel before the war and during the war many of the best people in this defence organization were used as intelligence agents and dropped by parachute behind enemy lines. To-day the government are exercised because Haganah is armed. It is also claimed that the Arabs are armed. Why has no attempt been made to disarm the Arabs? Because it is known that the Arabs can readily renew their supplies from the neighbouring countries. And that is why the Haganah must retain its arms, because

experience has shown that Jewish self-defence is Jewish security. That is true of history in all pioneering communities. Arabs respect Jewish self-defence. The government have not provided that protection. They cannot disarm the Jews and have only embarked on a policy of irritation. Peace will be restored in Palestine by statesmen and not by the police.

I must bring this to your attention, at this time, that the Jewish agency asked the British Government for permission to wipe out terrorism, and less than one per cent of the Jews in Palestine have been engaged in this work. The Jews abhor terrorism more than anything else.

The Labour Party came to power in Great Britain more heavily committed to a Zionist program than any previous administration. It made demands on behalf of the Zionists in excess of any ever made by the Zionist organization itself. But now, in power, it has been using British troops to make up for its failure to keep its pledged word.

Despite the bitterness sown by the present situation and the straining of the alliance, which has been the cornerstone of British and Jewish activity in Palestine, the long run needs of both parties must bridge the gap so that British interest and Zionist achievement can continue to make of Palestine a bastion of western democracy. The incidents and recriminations of the moment must not be allowed to obscure the great common tasks. Friends of Britain must wonder whether the present government will not have to retire from an impasse which has been created. When the present policy of irritation has been cast aside and the overwhelming necessities of the situation are recognized, will it not be asked whether the humiliation of two proud peoples could have been avoided?

We feel that the common interests of Jews and Britain in Palestine bring us much closer together, regardless of the many differences.

Canada has many interests in the situation in Palestine and six points are noted below:—

Firstly, British rule in Palestine is a trust, based on a mandate, approved by the League of Nations; and as a member of the League, Canada is one of the powers to which the Mandatory has been answerable.

And certainly, the notable financial contribution which Canadians have made for more than a quarter of a century towards the upbuilding of the country should direct that concern which our government always show in the welfare and protection of the interests of Canadians abroad, towards Palestine.

As for the immediate situation in Europe, Canada is making a generous contribution through UNRRA to ameliorate the lot of displaced persons and is therefore vitally interested in a permanent solution of this problem.

And possibly of more immediate concern may be the question of the maintenance of peace in the Middle East where a group of member states of the United Nations, is presently organizing trade boycotts and threatening war in violation of the terms of the Charter. Canadian representatives in the various bodies of the United Nations may be called upon to face a breach of the peace by Arab member states and therefore it is believed that the Canadian government should be informed of the issues at stake.

We certainly feel that the present boycott is something which the United Nations must deal with because it is a violation of the terms of membership.

Another reason for formulating official policy on the Palestine problem at this time is the imminent departure of the Prime Minister and his associates for the Peace Conference at Paris where problems, such as the disposition of Displaced Persons will be discussed. It is important that the official Canadian delegation bring to bear in the councils of the nations that informed and constructive counsel which has obviously been lacking in the handling of the Palestine problem.

It has always been the proud boast of Canadians that history has cast them in the role of interpreter between the two great English-speaking powers. The problem of Palestine has certainly caused much criticism of British policy in the United States.

Canadians, who understand well the language of their two partners, are uniquely equipped to carry the torch of understanding in the name of justice and fair play. Let the voice of Canada be heard.

We feel that Canada, as a part of the British Commonwealth of Nations, should see that fair play is observed at this instance.

We believe that a statement by the government of Canada, at this critical time, in support of the fulfilment of the recommendations of the Anglo-American Committee of Enquiry for the immediate admission of 100,000 Jews into Palestine, would be a material contribution towards the solution of this vexing problem.

Yes, we would even go further. We believe that bloodshed and the present difficulties in Palestine would be completely averted if Britain announced the acceptance of this recommendation. We believe that if Canada and the Canadian people raised their voices at this time, it would do much in alleviating our problem and in settling the great difficulty which faces all of us in Palestine and which threatens the peace and security of the world. Thank you.

The CHAIRMAN: Thank you, Mr. Zacks. I now call upon Mr. Mowat who is the Executive Director of the Canadian Palestine Committee.

Mr. H. Mowat, Executive Director, Canadian Palestine Committee, called:

The WITNESS: Mr. Chairman and members of the External Affairs committee of the House of Commons: I wish to express regret that Sir Ellsworth Flavelle who is the national chairman of the Canadian Palestine Committee is unable to be present. To-day I am acting as his deputy. We thought we would like to render a separate brief on this subject, the information in which and the point of view of which would be supplementary to the brief which has just been tendered by the United Zionist Council through Mr. Zacks. It would give us an opportunity of presenting what, perhaps, would be an approach more kindred to the members of this committee who are not Jewish because we, of the Canadian Palestine Committee, are non-Jewish.

Our text in relation to Palestine is the Balfour Declaration policy. All who are associated with the Canadian Palestine Committee are associated with it on the basis of the British policy for Palestine being the Balfour declaration policy and the mandate, of which that Balfour declaration is the text.

We are in touch with the non-Jewish people in the United States who are interested in the Palestine issue, some of them, for political reasons of their own. When I am in Washington or in New York I find myself in the position of one who is strongly pro-British, and who seriously limits the ground on which he meets these people.

For example, when the World Committee for Palestine was formed last November in Washington, there was a putsch put on by the Latin-American delegation who brought in an amendment that the mandate for Great Britain should be immediately cancelled because of the failure to execute the pledge inherent in the mandate, and that the United Nations, which was an organization largely on paper at the time and incapable of assuming detailed responsibility of this kind, should immediately take over and execute the mandate of the League

of Nations from Great Britain. Now, that amendment was killed and it was killed by the debating power of the Canadian delegation at the world committee. We refused to go there unless certain pro-British guarantees were given.

Under the chairmanship of Senator Roebuck, the resolutions committee brought in a resolution for adoption by the World Committee. That resolution corresponds with the brief which is known to members of this House, which was tendered to the Canadian government by the Zionist organization of Canada and by the Canadian Palestine Committee. The Americans played a passive role. We fought it out in debate with the anti-British elements in the World Committee for Palestine. The American delegation came behind me with their representatives, while I was in the chair. They were supposed to take the chair at 11 o'clock, but they would not do so because they did not want to commit themselves. They felt that the seat was too hot! They whispered to me that if it came to a showdown, I could count on the votes of the American delegation to defeat the anti-British amendment.

After luncheon recess, the Latin-American delegation withdrew its amendment to the resolution. They wished to have the concession that, into the minutes of that session, should be written a statement in regard to Palestine, that the ultimate sovereign authority should be the United Nations. To that we were all agreeable.

I was interested in the sessions of the committee which sat in January. I have the greatest respect for the personnel of the Anglo-American committee, both British and American. They are human and they are highly competent. In this brief I have documented what I have to say with the report, with passages from the report of this committee. I did so because these men of the committee have been in a position to study all the facts for months, and most accurately, and because they have gleaned those facts from the people who are most intimately concerned with those facts and who are suffering the penalties which the report of this committee says it was designed to remove.

For instance, the British administrators pleaded with them that the Haganah be disarmed. They made a strong case for the disarmament of the Haganah, but six British members of this committee and six American members of this committee, making an assessment of the facts, supported by the strongest partisan proponents of the disarmament of the Haganah, refused to recommend that the Haganah be disarmed. The situation in the Middle East and the pledge of the British government to maintain public security in Palestine did not justify a recommendation of Jewish disarmament from the committee, which took into consideration all the facts.

This brief, gentlemen, is, as I say, documented from the Anglo-American committee's report on the Palestine issue. I have great confidence in the judgment of these men. I believe that any other document, even the statement of the British government, is junior in importance to the pronouncements of this committee who have studied all sides of this question so intimately. They are very human.

I remember at one of the sessions there was a rabbi sitting in the witness chair giving evidence. He had been expounding upon the economic character of life in the Jewish community in Palestine and said that while it had not made people exceedingly rich, neither were the people impoverished to the low level of subsistence living in the Middle East. The committee room was filled with twice the number of people we have here today—he said that such equal sharing was based on the principle suggested in the lines of the English poet, "A man's a man for a' that." The chairman of the American section looked at the rabbi and turned to the MacDonald in the American Section and said: "Good heavens, rabbi, the MacDonald will have your head for an error like that. You cannot credit England with that line. That is the line of a Scottish poet. It would be treason to credit that line to England!"

I mention that to show the human character of the people. They were decidedly human; yet the most rigid legal type was represented. That type, Mr. Chairman, which we all view sometimes with trepidation, was present.

This brief is an attempt to give definition to the position of Britain in Palestine in terms of obligation to the Jews of the world in general and the Jews of Palestine in particular, and then, too, the claims of the Arabs, from the British point of view. The foundation of British policy in Palestine is the Balfour Declaration.

When the dismemberment of the Ottoman Empire was taking place at the Treaty of Versailles, Great Britain was the one power represented which had matured a policy in respect to Palestine. She had a policy also for the Arab provinces of that Empire. That policy was independence for the Arab countries, over a million square miles in extent, exclusive of Palestine. Thus the policy of the British government was a policy friendly both to the Arabs of the world and to the Jews of the world, and it had an appeal to the patriotic instincts of each.

The Balfour declaration was addressed to the Jews of the world—that is in the text of the Balfour declaration, “the Jewish people”.—and its implementation meant the green light for those Jews who desired to enter and settle Palestine. Not that the British government felt that it was advantageous on the basis of ordinary standards of living for anyone to enter Palestine as a colonist. There was no stable dynamic economy to which the individual could become related, no untilled fertile soil which could be cultivated. Pioneers had to make the fertility of the soil by irrigation or other artificial distribution of water, or drain it of malarial swamp water before they could even make a start on a productive basis as colonists. But the British government reckoned, and not in vain, that there was a fair chance of Jews colonizing Palestine because of the historical association of their race and religion with the Holy Land. It was worth a try to see if they “would respond to the opportunity offered them” as Earl Lloyd George, war Prime Minister, stated before the Peel Royal Commission in 1937.

It was stated in the Balfour declaration that the Jews were to be offered a national home. It has been asserted that on this basis the Jews were never offered a Jewish state. But all official British pronouncements on this point assert that a Jewish state was not precluded under the original offer to the Jews of the world. The offer in Palestine was an offer of liberation from omnipresent minority status to the Jews all over the world who were suffering severe penalties from the defencelessness imposed by minority status. If the offer of the Balfour declaration did not mean the achievement of ultimate majority status for the Jewish community in Palestine, it meant very little indeed. Wherein would such a minority Jewish community differ from any other minority Jewish community in any other country. Certainly not in respect of being free of the dire penalties of homelessness.

This is important, gentlemen; it has not emerged with great clarity. But listen to this.

It was basic that a national home itself should provide a status for that transition and probationary period when a majority Jewish community was being built up in the Holy Land. Naturally no Jewish state could be set up after World War I when the Jews constituted only a small proportion of the inhabitants. If the prospective Jewish record and achievements merited consideration of statehood such record and achievements would win it—as Lord Balfour said: “an independent Jewish state . . . was a matter for gradual development in accordance with the ordinary laws of political evolution.”

Thus the Jewish people after World War I started the enterprise of settling Palestine under the Magna Carta of the Balfour declaration and the Mandate, which had the Balfour declaration as its text.

By Mr. Graydon:

Q. What was the date of the Balfour declaration?—A. November 2, 1917, is the date of the Balfour declaration. But, more than this, it was the Magna Carta on which the British position as an administration in Palestine was based. *Chamberlain White Paper of 1939.*

As an appeasement measure to the Arabs the White Paper was, in the words of Churchill, "a breach of faith" to the Jews and a repudiation of the Balfour declaration. It laid down three departures from the initial Palestine policy of the mandate:

1. Rigid curtailment and in effect ultimate cancellation of the Jewish immigration.

2. Curtailment of the Jewish right for land purchase to 5 per cent of the area of Palestine.

3. The regulation of the population of Palestine so that it would be permanently frozen in the ratio of 2 Arabs to 1 Jew.

No more comment on this is necessary than to state the fact that the enforcement of such a policy over a period of years would make of the national home only a shadow of what the Jews had expected. It constituted a violation of and repudiation, as Churchill claimed, of the Balfour declaration.

The legal anachronism resulting from the passing of the White Paper has been described by Lord Samuel in a speech in the House of Lords last September:

Now, the lawyers can pay special attention to this because this is the pithiest and most convincing condensation of the legal situation in Palestine that I have read. It is worth noting.

The policy set out in the White Paper was not in accordance with the interpretation which, in agreement with the mandatory power and the council, the (League of Nations) Permanent Mandates Commission had always placed on the Palestine mandate.

There we have the present position in which we meet this afternoon to discuss the question of Palestine. The essence of the position is this—that the White Paper of 1939 is now in force, the five years are over, and the Balfour declaration never withdrawn by any government, is also in force, and that the one is in direct contrast with the whole spirit of the other.

By Mr. Jaques:

Q. Do you mind reading the Balfour declaration?—A. His Majesty's government views with favour the setting up in Palestine of a national home for the Jewish people, it being clearly understood that nothing would be done to prejudice religious or civil rights of non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country. That gives you the substance of it. The positive aspect of that mandate is to set up a national home for the Jewish people, and in setting up that home, no non-Jewish community is to be injured with respect to its civil or religious rights.

Q. Who is to decide?—A. Would you mind letting me proceed with my brief and then I shall answer your questions afterwards. I do not want to deprive those with legal acumen of this text; consequently I shall read from my brief.

"But there is this difference between these two important instruments, and it is a very fundamental difference. The Balfour declaration was endorsed by all the allied and associated powers engaged in the first World War, including the United States of America. It was embodied textually, the very words of the Balfour declaration, in the Mandate for Palestine conferred by those states upon Great Britain, and approved

by the League of Nations itself. Consequently the Balfour declaration, embodied in the mandate, has the validity of international law; and if the question were ever to come up before an international court of arbitration, they must hold that it is valid in law, whereas the White Paper, which contradicts it, is the unilateral action of the British government alone, and therefore cannot be held to be valid when it is in conflict with the prior and more authoritative document."

To sum up—the mandate was awarded His Majesty's government in London on the strength of a British undertaking to sponsor the settling of Jews in a national home in Palestine, a recognition by Britain and of the world of the historical connection of the Jewish people with that country. An essential part of the arrangement was the formally expressed desire on the part of world Jewry to have the Palestine mandate given to Great Britain. How essential this was may be judged from the attitude of the Arabs who saw no reason for the British remaining in Palestine. The policy of their leaders was the same as it is in Egypt to-day—to have the British leave, and as quickly as possible.

How essential this may be when we consider the attitude of the Arabs, who saw no reason for Great Britain remaining in Palestine. This was the attitude then as it is to-day! Their policy was to have the British leave as quickly as possible.

Had the Jews not wanted Britain as mandatory it would have been difficult to reconcile the continuation of British occupation of the country with any sanction of international law. It had been agreed that conquest did not provide a legal basis of possession after World War 1, which the great allied powers had entered for two main reasons—and with the pledge that they were not going to add a single square mile of conquered territory to their already extensive territories—to defend the rights of small nations and to make the world safe for democracy. Had not the Jews, with their historical root in Palestine, invited the British to occupy the country as mandatory, it is difficult to imagine on what basis the continued presence of a British administration and military forces in the country could have been sanctioned by the allied and associated powers and approved by the League of Nations and the United States of America.

THE ARAB AND BRITISH PROMISES

For the Arabs the British policy was independence for the Arab lands of which Turkey had been sovereign prior to World War 1. Palestine was the exception to this offer of independence. One would have thought that such independence achieved by the might of British arms would have been a cause of Arab gratitude to Britain, but on the contrary the Arab politicians, instead of using this new independence to bring the blessings of modern progressive life to the Arab masses, have become engrossed with the exception, have villified Britain for it and have achieved a unity among the conflicting factions of the Arab world by their unanimous opposition to it.

Their claim of the British promise is based on the correspondence in 1915 of Sir Henry McMahon with King Hussein, the Sherif of Mecca. His Majesty's Government has never admitted this claim and the last official statement of denial was in the White Paper of 1939, paragraph 7, as follows:—

His Majesty's Government . . . can only adhere, for the reasons given in the report, to the view that the whole of Palestine west of Jordan was excluded from Sir Henry McMahon's pledge, and they therefore cannot agree that the McMahon correspondence forms a just basis for the claim that Palestine should be converted into an Arab state.

THE PRESENT SITUATION

The most authoritative analysis of the factors which have been at work and which are still dynamic in Palestine is contained in the report of the Anglo-American committee. After analyzing the party differences among the Zionists of Palestine the report states that on the other side stands the Revisionist Party, numbering one per cent of the Jewish community, and beyond it the various more extreme groups, which call for active resistance to the White Paper, and participate in and openly advocate the present terrorist campaign.

The present resistance to the British policy in Palestine is elaborated by the committee as follows:—

The Jew who lives and works in the national home is deeply aware both of his achievements and of how much more he could have achieved with the whole-hearted support by the mandatory power. His political outlook is thus a mixture of self-confident pride and bitter frustration: pride that he has turned the desert and the swamp into a land flowing with milk and honey: frustration because he is denied the opportunity of settlement in nine-tenths of Eretz Israel which he considers his own by right: pride that he has disproved the theory that the Jews cannot build a healthy community based on the tilling of the soil: frustration that the Jew is barred entry to the national home, where the community is now in being.

8. The Jews in Palestine are convinced that Arab violence paid. Throughout the Arab rising, the Jews in the national home, despite every provocation, obeyed the orders of their leaders and exercised a remarkable self-discipline. They shot, but only in self-defence; they rarely took reprisals on the Arab population. They state bitterly that the reward for this restraint was the conference and the White Paper of 1939. The mandatory power, they argue yielded to force, cut down immigration, and thus caused the death of thousands of Jews in Hitler's gas chambers. The Arabs, who had recourse to violence, received substantial concessions, while the Jews, who had put their faith in the Mandatory, were compelled to accept what they regard as a violation of the spirit and the letter of the Mandate.

9. An immediate result of the success of Arab terrorism was the beginning of Jewish terrorism and, even more significant, a closing of the ranks, a tightening of the discipline, and a general militarisation of Jewish life in Palestine. The agency became the political headquarters of a citizen army which felt that at any moment it might have to fight for its very existence. Deprived, as he believed, both of his natural and of his legal rights, the Palestinian Jew began to lose faith in the mandatory power. The dangerous belief was spread that not patience but violence was needed to achieve justice. The position of the moderates who urged self-restraint and a reliance on Britain's pledged word was progressively undermined; the position of the extremists, eager to borrow a leaf from the Arab copy book, was progressively strengthened.

Chapter V of the report concludes with "Any decision on the future of Palestine will be futile and unrealistic unless it is made in full cognisance of the political tension among the Jews and the reasons for it."

With all the facts before them the committee made a recommendation (A) that 100,000 certificates be authorized immediately for the admission into Palestine of Jews who have been victims of Nazi and Fascist persecution and (B) that these certificates be awarded as far as possible in 1946 and that actual immigration be pushed forward as rapidly as conditions will permit.

The above recommendation together with Recommendation Number 7, the replacement of the land transfers regulations of 1940 with regulations based on a

policy of freedom in the sale, lease, or use of land irrespective of race, community or creed marks the repudiation of the White Paper in this report. But the White Paper is still in force. It weighs more heavily than ever on a people, that Jews of Palestine and Europe, who have endured years of greater devastation and torment than any other groups in history. The steady deterioration of the physique and morale of the Jewish survivors in Europe would indicate that humanitarian considerations are not given a high enough rating by the British government. The report of the British and American committee members who surveyed all facts for months had a definite humanitarian urge. The situation today is this:

If a refugee Jew in Germany or Austria is successful in escaping from a concentration camp and reaching Palestine, he is ushered into another concentration camp—this time a British concentration camp—for an indefinite period.

At the conclusion of this informational memorandum we wish to mention that our committee has maintained that the way of greatest justice and of least injustice to all concerned with the problem of Palestine, living inside and outside its boundaries, is the setting of British policy back on the rails of the Balfour declaration and the Palestine mandate. On grounds of humanitarian considerations we agree with the Committee that the short-term policy recommendations of the Anglo-American committee should be implemented, the 100,000 Jewish victims of Nazi and Fascist persecution admitted to Palestine in 1946, and the discriminatory land transfer regulations rescinded. Such action on the part of His Majesty's Government would do much to restore the confidence of the Jews of the world in the desire of Britain to keep faith with those who, on her invitation, became her wards in Palestine. It would reassure those Jews who to-day fear the British intention of abandoning their outpost of western civilization in an area of feudalism dominated by a reactionary Arab hierarchy.

In recent months the British government seems to have taken the position that it is not now strong enough to go the course of mandatory in Palestine, and it must be admitted that there are so many evidences that this is the case that the claim must be taken seriously in any informational memorandum such as is now submitted to the External Affairs Committee of the House of Commons. The most significant statement which has emerged recently has come from Mr. R. H. S. Crossman, member of the Anglo-American committee and of the British House of Commons, and who moves in a circle which to-day has great influence on British foreign and colonial policy. At a recent meeting of the Anglo-Jewish Association in London Mr. Crossman concluded his address by mentioning the Jewish grievances against the White Paper which, many Jews remarked, had forced them to organize themselves against their friends, a most tragic thing to have to do. He continued:

The necessity of getting unity between the governments of Great Britain and America on this subject of Palestine is absolutely par amount, for Great Britain cannot carry on a sound policy in Palestine alone. *I mean that quite seriously.* (our italics) A steady course in Palestine really demands a UNO, applied by a single power. But there must be behind a single power a common agreement with a policy that has to be carried out. Somehow we have to work out a world policy in regard to world Jewry, Palestine and the Arabs, and get world backing for its enforcement.

It is possible that to get justice for the Jewish people in the Palestine issue the United Nations must be invoked. In such an eventuality the role of Canada in its United Nations membership may be a beneficent one in regard to the vindication of the international pledges to the Jewish people approved by the League of Nations, belief in which caused so many to settle in Palestine. There

is no doubt, however, that settlement in Palestine, in which the government of the United States agrees and in which it shares responsibility with Britain, would meet with the approval of the United Nations.

The backing received by His Majesty's Government from the League of Nations was exceedingly weak. With stronger backing, as suggested by Mr. Crossman, Great Britain could function with greater success as mandatory in Palestine so long as a mandate is required in Palestine. The ultimate development of a Jewish Commonwealth, if the Jewish people of the world sufficiently support the settlement of Palestine to make that possible, will prove, in our opinion, the same bastion of strength to the British imperial security in the Middle East that it was in World War II. And their record in World War II as well as the Balfour declaration cry aloud that justice be accorded Jews in the matter of their ancient homeland.

Gentlemen, I have one or two items to add to this brief.

By Mr. MacInnis:

Q. May I ask a question? You quoted from Chapter V of the Jewish Report, the last paragraph. Did you quote the whole of the paragraph?—A. I think I quoted paragraphs 7 and 8.

Q. Did you quote the whole of that?—A. I didn't have time to quote the whole of it. It is all relevant.

Q. I think it would be worth while for you to read that?—A. I have read that.

Q. You did not read the whole paragraph?—A. No, I had to leave most of it out. I brought out the relevant parts in my brief.

I want to mention one or two things in closing that show the danger of a continuation of the White Paper policy, which is unjust. I can quote charges to this effect from men who have the respect of every person in this room, beginning with Winston Churchill. The danger is that these Jewish people in Palestine will become embittered with the application indefinitely of this unjust measure, which has been in force for seven years.

The Canadian Palestine Committee believe there is a basic gratitude on the part of the Jewish people to Britain that they have been given an opportunity to establish the framework of a homeland in Palestine. Where else would they have got that except in association with the British people? Everything they have to-day in substance of a national home in Palestine they owe to British instrumentality. That is basic in the platform of the Canadian Palestine Committee, and Canadian Jews appreciate that.

The Jews fought for the British cause in this war and they were ready to sink differences and place their talents at its disposal. They did that without stint. That sense of gratitude and goodwill has not yet been annulled by seven years of the White Paper, but it might be!

I submit to this committee the consideration of the proposition that there is basic gratitude on the part of world Jewry. When Crossman says implement the mandate by a single mandatory power, I agree with him. I want that mandatory power to be Great Britain. We will have the same kind of effective relations with Jews throughout the Holy Land that we had before the war. General Paget, G.O.C., was converted to the view that if the British troops pulled out of Palestine next month that there was no force in the Arab world that they could muster that would seriously embarrass the Jewish people in Palestine in the Haganah. They would be able to take care of themselves. They would be able to hold their gains without assistance. That was the opinion expressed by both the G.O.C. of British troops in Palestine and by the G.O.C. of British troops in the Middle East.

A strong position in the Middle East is necessary to the British people. In Palestine 15,000 troops could maintain order with machine guns, tanks, mobile artillery, motorized and parachute troops with aircraft cooperation. Members of the Anglo-American Committee stated there was a British force of 100,000 in Palestine last April.

Palestine is being used for the evacuation of British troops from Egypt. The strong British forces at present in Palestine are a military counterpoise to Russian in the Middle East.

One personal word as I conclude. You wonder why a person like myself, not being Jewish, should be concerned in this matter. In 1932 I was entertaining an old German Imperial Army officer in my home and in the confidence of the fireside he told me that in troubled times after world war I he had shot fourteen Jews in Germany, and he told me if I dropped into his home he would show me a Leuger revolver with fourteen notches in it. Each notch represented a Jewish life he had taken; and he showed me that with the same pride with which he would exhibit an Iron Cross if he had one.

I would not like to be at the mercy of people like that. If Germany is filled with men and sons of men like that there is something to be said for the Balfour declaration when the position of Jews became insufferable in that country. They had not sufficient numbers to fight back, and were at the mercy of people like my German officer acquaintance.

I never spoke to this officer again except when I met him outside my house to tell him what I thought of him. He told me that he had knocked down a man at the cenotaph in Toronto who had insulted the German army, that he had cheerfully paid a fine in the Toronto police court for the privilege of knocking down a man who had insulted the German army and that he would do that to any man who insulted the Kaiser or the Germany army. The next time I met him on the street I insulted the Kaiser and the German army and he made no attempt to knock me down. I concluded he was pursuing the traditional German line of not attacking anyone as big as himself. After that he always looked the other way when he saw me coming.

Gentlemen, the Balfour declaration has the sanction of humanitarianism on the very highest level.

In submitting this brief, which deals with the political aspects of a Palestine settlement, I say it is not merely a matter of politics but it is a matter which challenges our sense of justice and our finest humanitarian instincts in the interest of the afflicted who are helpless in the circumstances in which they are to be found to-day.

The CHAIRMAN: I will now call upon Mr. M. Garber, K.C., vice-president of the United Zionist Council.

Mr. M. Garber, K.C., vice-president of the United Zionist Council, called.

The WITNESS: Gentlemen of the committee, I take it that you gentlemen are very anxious to ask questions of Mr. Zacks and Mr. Mowat, and I do not see any necessity for my addressing the committee, but while I am on my feet, I would like to make one or two statements.

Mr. Croll, in his able introduction, quoted from a speech made by Mr. Attlee wherein he went to the extent of suggesting that the Arabs of Palestine be moved out so as to enable Jews to move in. I want to state emphatically that this is not the policy of the Zionist movement. Throughout the past 25 years, while we were anxious to have Jews come in, we never suggested that the Arabs get out, nor did we raise any objection to thousands of Arabs coming in.

The result has been that the standard of living of the Arab was raised considerably with the influx of Jews and the introduction of western methods of production and agriculture. The standard of living of the Arabs in Palestine is higher than that prevailing with respect to Arabs in any other country.

Walter Clay Lowdermilk, noted soil conservationist of the United States Department of Agriculture, after making a survey of Palestine came to the conclusion that what we call the absorptive capacity of Palestine is considerable. He said probably 4,000,000 people could make their homes in Palestine, provided proper irrigation of the soil be carried out.

A gentleman asked for the wording of the Balfour declaration, and I would like to draw your attention, also, to some portions of the mandate which is contained in the report of the Anglo-American Committee. The mandate begins on page 76 and runs along the following pages. I am not going to read the whole preamble. The first paragraph laid down, as Mr. Mowat said, what was the basis of the mandate, namely the Balfour declaration.

The third paragraph is very interesting. It reads as follows:—"Whereas recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the ground for reconstituting their national home in that country."

Gentlemen, I draw your attention to the word "reconstituting". It is not something new, subject to debate as to what form it should take. We all know what the Palestinian home was, say 22 centuries ago. It was a home like Canada. The mandate specifically says it should be "reconstituted", and the mandate was given in a formal, legal way and Great Britain is given the authority of mandatory. Canada is one of the members of the League of Nations, and Canada should be interested in the carrying out of the mandate.

Then there is Article 2:—

The mandatory should be responsible for placing the country under such political, administrative, and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

And then there is Article 4:—

An appropriate Jewish agency shall be recognized as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organization, so long as its organization and constitution are in the opinion of the mandatory appropriate, shall be recognized as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish national home.

The second part says that the Zionist organization should be such agency until a broader agency is set up. It ends by saying that the agency shall engage the interest of all Jews throughout the world in the carrying out of the mandate. There is no similar Arab body appointed. The positive charge of the mandate is to reconstitute the Jewish national home; that appropriate conditions be set up for carrying it out and that a Jewish body be created for that purpose, but nothing of the same nature was contemplated for the Arabs.

The agency is a public body recognized internationally and receiving its authority from the same source as that vested in the mandatory power. For that reason we feel rather aroused when members of the agency, against whom no

charges are being laid, have been held in a detention camp for almost a month without warrant, without due process of law. We maintain that that is illegal, and while it only affects a small number of individuals, Jewish people throughout the world have been aroused at this unjustifiable act on the part of the mandatory power.

May I say in conclusion that while all this political discussion and spirit of the mandate are important, our main purpose is to obtain some immediate, practical results. It has been shown that hundreds of thousands of our fellow Jews are in detention camps in various parts of Europe.

I ask that the recommendation of the Anglo-American Committee of Enquiry for the immediate admission of 100,000 Jews into Palestine receive the support of the dominion government.

Mr. S. J. Zacks recalled:

The WITNESS: Some eight months ago the President of the United States sent Mr. Earl Henderson to investigate at first hand conditions in Europe, and he brought back a report that the 100,000 Jews in concentration camps should be transferred immediately to Palestine.

Following this the British government asked the American government to appoint six members of a twelve member committee to investigate this whole situation, and testimony was taken in Washington and in London and in Palestine, and there was an unanimous recommendation. That was the suggestion of Mr. Harrison, and Mr. Truman has been asked that this be implemented. He has intimated that technical and financial assistance would be given. I have never heard of the suggestion that there may be military support, but I do not think there has been any formal request for that, but I believe Mr. Truman has stated that they will assure military aid. I believe, when the United States goes further, if it be necessary to go further, she is a responsible person and will realize what is involved in giving this type of undertaking. I know that the United States in the last few days has sent over a committee of some seventeen, consisting in part of technical experts; and I know that a counter part to that committee from England is considering ways and means of facilitating this recommendation. I know that one of the big problems is that of housing in Palestine. I believe this has been overcome also partly as a result of the intervention or the assurances by the United States.

By Mr. Graydon:

Q. May I ask Mr. Zacks this question? Is there any difference between the American official policy and the British official policy in this respect?—A. Britain has not accepted, in principle, the main recommendation of the Anglo-American committee, although the United States has.

By Mr. Beaudoin:

Q. Why do European Jews want to go to Palestine?—A. In my brief I mentioned there are between one and one-quarter to one and one-half million Jews alive in Europe but they are uprooted. They are living almost in graveyards. When they eat some food, they may think they are eating food that might have grown from, or been saturated with Jewish blood. It is a very hostile and inimical atmosphere. We have seen, in Poland, notwithstanding the fact that the government there has made anti-semitism a crime, there is a great deal of anti-semitism. Pogroms break out almost daily and the Jews live in constant fear. Naturally, they want to get out. They are afraid. You cannot

continue to live in fear. Most of the families are broken. Maybe only one or two members of a family are surviving, and they feel, if they are to start afresh, they should go to their own homeland where they are wanted. We have not heard of any other place where they can go. We feel that those who want to go to other countries should go; but 70 per cent of the people have already indicated a preference to go to Palestine because they are wanted there.

We were very much interested in the offer made by Brazil but we do not know how many will benefit from that offer. The main hope has been the haven of Palestine. There is, of course, this connection. Many of the Jews, during the war, inspired for hazardous service, were parachuted down into enemy lands to help in the ghettos. Many of the Jews in Europe escaped from Europe and went to Palestine. There are close relatives, sometimes of the first degree, in that country, and it is natural that they should want to join up with the remnants of their families. That is why they pin their great hope on Palestine.

By Mr. Fraser:

Q. How long would it be before Palestine could look after the food and clothing needs of its people without help from outside?—A. The Jews in Palestine have been very generous and have offered to share, without any restrictions everything that they have. They say: send us the Jews from Europe, and we will take care of them. There is always room, as Dr. Wiseman says, in your own home for the family. They are willing to share anything that they have without limitation. We feel that if 100,000 were brought in immediately, they could be taken care of and adequately looked after. It would be to the great relief of the whole situation. We would like to see larger numbers come; but we realize there are only 600,000 Jews in Palestine, and when they take in 100,000, with the help of Jews in other parts of the world, and perhaps with some governmental aid—when they do that that will perhaps be the limit for the present; but it is not the final limit. They could very easily take in and absorb into the economic life of that country 100,000 Jews.

By Mr. Graydon:

Q. Leaving aside the leaders of the Jews and the Arabs in the Palestine area, do the ordinary rank and file of the Jews and Arabs get along harmoniously?—A. I understand that there is very little tension even in recent months, between the Jews and the Arabs. I have talked to people who have come back from Palestine within the last few months. For instance, in connection with the co-operative marketing of oranges, Jews and Arabs came over together and sat around the table. Even in putting into effect the boycott, it is really not applied even in Palestine. There are certain needs coming from Palestine and they have been purchased from the Jews. I would say, for the most part, there has been very little difficulty, I think, as far as the masses of the Arabs are concerned. They feel that the Jews have been real benefactors in the upbuilding of their standards of living, more so perhaps than any other group.

By Mr. Knowles:

Q. Are there organizations in Palestine of which both Jews and Arabs are members?—A. They are both members in the trade unions. We understand that Arabs belong to the same trade unions as Jews. We have seen them, even in the strike recently. There were 50,000 people who went out on strike because of the very low wages. Both Arabs and Jews went out on strike together notwithstanding the fact that the Arab leadership tried to recall the Arabs from the strike, not wanting them to strike with the Jews; but nevertheless they struck together and won.

By Mr. MacInnis:

Q. Do the findings of the commission bear you out in that statement, the evidence of the joint report?—A. There has been some reference, but I would like to see an even closer relationship. I feel that the Jews and Arabs have got to get along together in Palestine. I know that the attitude of the Jewish leaders is one of friendliness. I know that the committee, too, in one part of its report, felt there was a responsibility upon the Jews, even further, to help to bolster the standard of living of the Arabs; and they placed some of that responsibility on the Jews. I think, in a measure, we have done so. We have set up hospitals in Palestine; the major hospitals there have been set up by Jews and the Arabs have used them. Also physicians and universities as well as educational institutions have been provided and are available to the Arabs.

Q. I would draw attention to a point which bears your answer given to Mr. Graydon's question, which is on page 17 of the report, section 6, or rather paragraph 6. It says, in part:

In short, the absolute unqualified refusal of the Arabs to acquiesce in the admission of a single Jew to Palestine is the outstanding feature of Arab politics today; and the newly formed parties of the left, based on the embryonic trade union movement display as intransigent a nationalism as the old leaders.

I think that refers to the Arabs in Palestine. I may be wrong, but that is my opinion.

Mr. BATSHAW: In answer to the question, I think you may have read in the magazine, "P.M." about four or five months ago, a series of articles written by Mr. Stone who went there when tension became so acute. He said that the astonishing thing to him was that, as you went through the country, you did not see many signs of tension between the Jewish peasants or Jewish worker and the Arabs. The actual worker in Palestine lives in peace even to-day. I have recently seen elsewhere references to that fact made by observers who got through the country. I myself was there in 1932 which was not long after the disturbances of 1929 in the city of Haifa. In the south of Palestine there was still some buildings that had not been reconstructed, but I found the common people going about their daily tasks uninfluenced by the intrigue that was going on in the higher circles.

By Mr. MacInnis:

Q. Is your organization in favour of the implementation of the whole of the joint report?—A. Of course we feel that as far as Palestine is concerned we look upon that as the future homeland of the Jewish people, and I do not think we would retract from that stand, as far as the Zionists are concerned. Nevertheless, we feel that, and there is a majority of us who feel that, due to restrictive measures and difficulties, it is not possible for the Jews to go in there and constitute a majority. We would never believe in having a Jewish homeland unless the Jews were to be a majority there. The recommendation from that report, that a solution would be found for these 100,000 needy ones, that is the main recommendation. We agree with it in principle. As far as the long range recommendation is concerned, we may have some difference; but we do not think it is paramount or as important as the principal recommendation on which we are placing the greatest stress at the present time.

Q. You do not answer my question. My question is: is your organization in favour of the implementation of the whole of the joint report?—A. I cannot speak for the whole organization; I do not think they would be in favour of the whole report, but they are in favour of the short range immediate report.

By the Chairman:

Q. You are aware that there are also some very influential Jewish people both in America and in Europe that are anti-Zionists. I have received correspondence about it. Being Jewish, naturally, their statements will receive wide publicity and will be cited by all people who are interested in the solution of the Zionist question. Would you care to give us your reaction to that movement?—A. There is only one point I would make. They all agree there should be immigration of this 100,000. We are agreed on the "open door", and on the opening up of Palestine as a haven of refuge to the Jewish people. We do not agree with them politically; but they have rights to their thinking. We think the only answer to the homelessness of the Jewish people is the Jewish homeland; but they do not think so.

Q. In some of the difficulties would you have to face in Palestine, I understand they are not only geographical or regional because the country is a small one. Are there any language and cultural difficulties?—A. I would like to say that in Canada almost every Jew is a Zionist. The percentage of those people—and some of them are very influential, who are opposed to Zionism, might only constitute less than 5 per cent. Your question was?

Q. Are there cultural and language difficulties, and if so, are they insuperable?—A. I do not think there are real difficulties. There are three official languages and we respect them, the Arab, the Hebrew and the English language. The culture of each is certainly respected and the religion of each is certainly respected. There is not intention of the Zionist—which, after all, is a democratic movement, basically—to violate any of those fundamental precepts, in a matter such as this which we ourselves hold to be so important.

By Mr. Low:

Q. I have a question growing out of the one asked a few minutes ago. Is there any authoritative work on the number of Jews which the country of Palestine could absorb and keep in a decent standard of living?—A. There are many authoritative reports, notably that of Dr. W. C. Lowdermilk who is a soil conservationist and one of the heads of the Department of Agriculture in the United States. Another report is by a great irrigation expert, Mr. Russell. They claim that by irrigation and by damming the Jordan River it would be possible to increase the agricultural lands available for development and also help industry by providing additional power for at least 4,000,000 people to enable them to gain a livelihood in Palestine. It would be of great benefit to the peoples of the Near East. The American government has investigated this question and has sent over technical experts, Mr. Liliensell and Mr. Hayes who are very familiar with the Tennessee Valley authority. They think that in Palestine a comparable and similar type of development could be brought about and they have figures on expense. It is estimated that the preliminary steps would not cost over \$250,000,000 and that it would be economically feasible. As a result of those expenditures, in the first stage, to provide occupation for at least one and one-half to two million people. That would be the first step.

Mr. BATSHAW: There is also a book based on the testimony of Mr. Nathan, a farm economist in the United States. The book is called: "Nathan Reports Nathan on the Palestine Problem", which deals extensively with the past, present, and the future as far as the absorptive economy and capacity of Palestine is concerned.

By Mr. Low:

Q. I had a reason for asking that question. There are two or three other questions that grow out of it. I have seen so many conflicting statements regarding the capacity of the land of Palestine to absorb an adequate

number of Jews that I wanted to get something authoritative on that question. Now my next question is this: how many would go back to Palestine?—A. We have heard that in Europe 70 per cent of the one and one-half million surviving Jews are ready to go back. There may be a few in other parts of the world too, but there would not be any great number. I would say about one million Jews would like to go back to Palestine.

Q. You say that about a million Jews want to go back to Palestine. Could Palestine then be a national home for the Jews in a physical sense? You see what I mean? You have partly answered it already, but let us go just a little further. How many Jews are there in the world?—A. About eleven to twelve million.

Q. Well, suppose six million of those Jews wanted to go back to Palestine, would it be physically possible?—A. The absorptive capacity of a country—Sir John Simpson in 1930 said that Palestine is not big enough to swing around a cat. But since that time we have had three hundred thousand people come in, and the country has prospered. We have developed a lot of the resources there, such as the chemicals in the Dead Sea, and we have established new industries. People did not think we could have a diamond industry but through the war there was one established, and we exported during the war, \$25,000,000 worth of products from that industry which netted the British over \$25,000,000 in American credits which the British needed. Over 2,000 factories have been developed in Palestine which is becoming an industrial as well as an agricultural centre. So with ingenuity you can certainly extend the absorptive capacity of that country. It has been said that for every person who settles a land, about three other people will be gainfully employed in the country. According to the Lowdermilk scheme, it is estimated that 250,000 people can be accommodated or provided for in the farming settlements which would mean, perhaps, 750,000 people who would be made employable. Multiply that by three or four times and you will get the total number who could come to Palestine and find gainful employment. I do not say that Palestine could absorb six million people. We do not know. Industry is constantly changing. It might change. From 1930 to the present we have seen tremendous changes. Necessity and invention constantly change the nature of settlements. It is something which is not static. It is a very hypothetical question, and is not a real question.

Q. I thought I recognized in Mr. Mowatt's remarks allusion to another sense in which Palestine was to be a national home for the Jews. I do not think that the average person understands that sense. Certainly it could not be purely physical, because the land now is incapable of absorbing two million Jews even if they wanted to go back. There is another sense in which Palestine is to be the national home of the Jews. I would like to have someone who is confident to do so, explain that for a moment.

Mr. GARBER: In the initial state of our movement we did not emphasize a great deal what we hoped that Palestine would be a sort of spiritual centre for the Jews throughout the world. In other words, we would all look with pride upon Palestine, and we ourselves will derive a certain amount of spiritual sustenance; our ancient language of Hebrew would be revived. A good many of us still speak Hebrew. Our prayers are said in Hebrew. Our Hebrew literature would grow up again, and Hebrew teachers would come from Palestine and in a sense, the law will again emerge from Palestine for the Jews throughout the world. But we are not emphasizing this at the moment, due to practical problems. We have hundreds of thousands of Jews who need Palestine as a physical home. We harbour the thought that a community of from one to two million Jews in Palestine will develop a Jewish culture which will grow to be a credit of the Jewish people and which people would benefit culturally.

But that was never meant to apply with respect to the Jew in South America or in Canada or in the United States, that he should consider himself to be a citizen of Palestine. Here in Canada we consider ourselves to be citizens of the English speaking community. This is entirely overshadowed by the physical and economic requirements of hundreds of thousands of Jews over the next twenty-five years.

By Mr. MacInnis:

Q. Regardless of the future possibilities, the absorptive possibilities of Palestine, to the extent that Mr. Low has mentioned, there is no doubt as to the ability of Palestine to absorb 100,000, that he has mentioned?—A. No doubt at all. There has been no unemployment in Palestine. Every time we were wrangling with a mandatory power about an attempt to enter ten thousand or twenty thousand Jews, the answer always was that the absorptive capacity of Palestine would not permit it. Dr. Weizmann once answered it when a British statesman came to his laboratory and asked: "What are you doing?" He said: "I am creating absorptive capacity." The result was that throughout fifteen years they got in 10,000 Jews, although it was contrary to the expressed opinion of Downing Street. But we have proved that we could do it.

Mr. JACQUES: May I say that I was the first in this committee to request that the Zionists be heard before it, and I made myself quite a nuisance every time I came here. I do not say that in the last analysis that my request was granted. I do not think it was. I just want to put that on record that I was the first one to request that these people be heard, and I said we might get some truth on the matter, and we can hear both sides of the question. I made a few notes while Mr. Mowat was talking and I would like to ask him a few questions.

Mr. Herbert Mowat recalled

By Mr. Jacques:

Q. Mr. Mowat, you admit that Palestine is sacred to Christians and Mohammedans?—A. Yes, I admit that, Mr. Jacques.

Q. A national home was not exactly what was meant in the Balfour declaration? Does it not say here that nothing shall be done which may prejudice civil and religious rights on non-Jewish communities?—A. Yes.

Q. Do you consider a Jewish state in the spirit of the Balfour declaration?—A. I consider that the rights, civil and religious, would be mandatory for all and would be observed in a Jewish State. As I say, I regard Palestine as a holy land. Jews, Moslems and Christians all look to Palestine as a holy land, but those two latter religious have a common parent, Judaism. The people who formed that religion with its inspired Old Testament literature are the only people of these three religious groups that ever constituted a sovereign Jewish state in Palestine. Always it has been a branch of a larger political group. So there is a priority of consideration there for the cause of a Jewish state.

Q. You will admit that the Arabs have rights?—A. Yes.

Q. I believe in a letter you stated: "I do not think Arab threats directed at Great Britain, the United States and other members of the United Nations Organization should be taken too seriously. They are a species of blackmail from a primitive people by which they have profited in gold and various concessions in the past. Threats of violence have been the Arabs most profitable stock in trade. How much longer are the great powers going to appease them? There is no doubt that a policy on Palestine agreed upon by the United States, Great Britain, and the other United Nations will be one to which the Arabs will

be forced to adjust themselves." Is that observing Arab rights?—A. Yes; that their political and religious rights, of course we can take for granted will be observed under a United Nations settlement. Protests of the Arabs, which is directed at Great Britain and world opinion are the protests of the feudal leaders of the Arab world, who see their entire system being broken down.

Q. In other words, it is proposed to impose an alien culture on the existing and original Arab culture?—A. No.

Q. Do you call that culture primitive and feudal?—A. Yes; no more than you can say that the culture of Canada in its Anglo-Saxon fashion is imposed upon the French-Canadian population in Canada. Any settlement of the United Nations would respect their rights, but not necessarily their interpretation of those rights. There is no such thing as a perfect settlement based on justice in any political sphere. We in Canada know that. The United Nations would see that they are not forced to surrender their existing and original Arab cultural rights mentioned in your question.

I think the letter which you quoted takes no exception to my^s present interpretation of a settlement favourable to the Jewish national home.

Q. With regard to the land, you will admit that the Arab people have been there for time immemorial; that even before the first children of Israel entered Palestine, they were on the land? Is it or is it not a fact that to-day in Palestine when a Jew or Zionist acquired land from an Arab that in the agreement of sale, it says that never again can that land be owned or even worked by an Arab?—A. That is self-defence on the part of the Jews. There are Moslem areas in Palestine unalienable from Moslem ownership, and the Jews, in self-defence, are forced to make that land their own when it is purchased by the National Fund.

Q. Is that not one of the points of contention for the British government to amplify?—A. I think if the mandatory prevailed upon the Moslems to surrender their unalienable rights to land, the whole matter might be opened up for resettlement. This is just my personal opinion.

Q. With regard to the first war, is it not a fact that the Arabs in Britain's hour of need, when the Suez Canal was threatened by the Turks, that under Lawrence of Arabia, the Arabs were persuaded to join in against the Turks, provided Britain guaranteed their rights?—A. Have you read the *Seven Pillars of Wisdom* by Lawrence? If you read that, you will see that they did not have great value. Lawrence said two Turkish battalions could disperse the whole of the Arabs. At the end of World War I Turkish Garrisons were unconquered in the cities of Arabia. For what measure of work they did, they were well paid, but Lawrence's opinion of the Arabs is given in the *Seven Pillars of Wisdom*. As a matter of fact, Lawrence was a great friend of the Jewish national home. He said that the successful development of the Jewish settlement would raise the level of subsistence living of the Arab masses more than anything else would, and would provide a ferment powerful enough to penetrate the whole of the Middle East.

Q. The Arabs gave every assistance they could in the first Great War, and also Lawrence of Arabia was offered very high honours for services rendered. He refused because he said the British faith had been broken, and another great authority as to the value of Arab armed assistance is Liddel Hart, one of the great military critics?—A. In the *Seven Pillars of Wisdom*, Lawrence of Arabia said:

I do not wish to publish secret documents, nor to make long explanations: but must put on record my conviction that England is out of the Arab affair with clean hands. Some Arab advocates (the most vociferous joined our ranks after the Armistice) have rejected my judgment on this point. Like a tedious Pensioner I showed them my wounds (over sixty

I have, each scar evidence of a pain incurred in Arab service) as proof I had worked sincerely on their side. They found me out-of-date, and I was happy to withdraw from a political milieu which had never been congenial.

Q. What about Zionist threats; for instance, referring to the United States loan to Great Britain?—A. I am glad to answer that. A formal statement came out last week from Rabbi Wise, who is president of the Zionist organization, who said that although he was critical of the British policy in Palestine, he said he was personally supporting the loan, and asked everybody else to do the same. We have not been happy over the people in the United States who talk anti-British on the loan. We repudiated them. I noticed that the Committee of Political Action on Palestine had an advertisement in which they advised the people to write their congressmen to kill the loan. I noticed the resignation from that organization of people who were members of the American Palestine Committee—the non-Jewish organization in the United States corresponding to our Canadian Palestine Committee.

Q. You will admit that there is, at the present time, very violent Zionist anti-British propaganda on foot?—A. Yes, I have read it.

Mr. ZACKS: By a very small group. I would say that group would represent less than five per cent of the Zionists.

Mr. JAQUES: Has the Zionist movement repudiated this?

Mr. ZACKS: Yes. I would correct Mr. Mowat. Rabbi Stephen Wise is president of the Zionist Emergency Council.

Mr. JAQUES: Do you admit that all Jews are not Zionists?

Mr. ZACKS: Oh, yes. There is a small fraction of them who are not Zionists.

Mr. JAQUES: There is a law in Palestine at the present time against the carrying of arms by private citizens. It is a capital offence. A question was asked in the British House of Commons as to how many had been executed for carrying arms in Palestine, and the answer was given by the present Colonial Secretary. Do you know the answer he gave?

Mr. ZACKS: No.

Mr. JAQUES: I think you said the well-armed Zionist forces could defend themselves even if the British Army were to retire from the scene?

Mr. ZACKS: I gave that as an opinion of a G.O.C. before the committee.

Mr. JAQUES: May I say that according to the present Colonial Secretary of Great Britain, of 133 persons who have been executed for carrying arms that 132 were Arabs. We have the statement here that the Zionists could defend themselves.

The WITNESS: I do not think they carried their arms around on the roads and highways of Palestine.

The CHAIRMAN: Shall we continue on? We had hoped that we would be finished by now. There are four other committees sitting, and I would ask the members to remain for another ten or fifteen minutes.

Mr. LEGER: I think we should have the privilege of asking these gentlemen some questions.

The CHAIRMAN: When should the next meeting be?

Mr. LEGER: Can we not meet this afternoon?

The CHAIRMAN: I doubt if we can get a quorum.

Mr. LEGER: Can we meet to-morrow?

The CHAIRMAN: Why not on Monday?

Mr. Low: I think that would be satisfactory.

The CHAIRMAN: I will try to have the committee meet early.

I believe I voice the sentiments of the committee when I say I appreciate what material has been given to us this morning. I know that we all realize the function of the committee. We cannot make a recommendation on a matter of this kind, but you all must realize that we are getting much information, which will receive national publicity.

Mr. LEGER: Would it be possible to have copies of the record in our mail as soon as possible so we may have them before we meet again?

The CHAIRMAN: You realize how hard it is to do that. However, we will do the best we can.

The committee adjourned at 1.00 p.m. to meet again on Monday, July 22 at 10.30 a.m.

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HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE


No. 15

MONDAY, JULY 22, 1946.

WITNESSES:

Mr. H. A. Mowat, Secretary Canadian Palestine Association;
Mr. M. Garber, K.C., Vice-President, United Zionist Council;
Mr. A. A. Heaps, Ottawa.

OTTAWA
EDMOND CLOUTIER, B.A., L.Ph., C.M.G.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY,
CONTROLLER OF STATIONERY
1946



MINUTES OF PROCEEDINGS

MONDAY, July 22, 1946.

The Standing Committee on External Affairs met this date at 10.30 o'clock a.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Benedickson, Bradette, Coldwell, Croll, Fleming, Fraser, Jackman, Jaenicke, Jaques, Knowles, Leger, Low, MacLean, Marquis, Winkler.

In attendance: Messrs. M. Garber, K.C., Vice-President United Zionist Council, H. A. Mowat, Secretary Canadian Palestine Committee, A. A. Heaps and Lawrence Freiman, Ottawa.

The Committee resumed examination of witnesses from meeting held 19th inst.

Messrs. Garber, and Mowat were called, examined and retired.

Mr. Heaps described a tour of Palestine he made twelve years ago, he portrayed the agricultural, industrial and economic development, was examined by the committee and retired.

It was decided to hear representations from the Canadian Arab Association on Friday, July 26.

On motion of Mr. Leger committee adjourned to meet again at the call of the Chair.

F. J. CORCORAN,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 22, 1946.

The Standing Committee on External Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. J. A. Bradette presided.

The CHAIRMAN: Now we have a quorum, and I shall call the meeting to order. I want to thank the members of our committee for finding it possible to come at this early stage of the week. I want to compliment them in this instance.

At the Friday meeting the witnesses and members of our committee deserve to be praised for the manner in which they dealt with the very delicate and educated questions. It was a new experience that we tried out in our activity. I would like to quote what the Prime Minister stated on the 16th of this month dealing with the Palestine question:

I do not believe that any useful purpose would be served by a statement on the situation in Palestine by the Canadian government at the present moment. Representatives of the United Kingdom cabinet, the foreign office, the colonial office and war office are discussing in London with representatives of the United States state department, war department and treasury, the recommendations recently submitted to the governments of the United States by the Anglo-American committee of enquiry which examined the problems of European Jewry and Palestine. The Canadian government hopes that the conversations now in progress will lead to a decision which will do justice to the various groups having a legitimate interest in Palestine.

It will be noticed that I have placed emphasis on the present moment. I believe there are times and seasons for all things, but this I submit is not the moment, while these negotiations are on, for the government of Canada to take a particular part by way of making the statement such as the hon. members suggest.

That was given in answer to a question asked by a member of parliament. I reiterate the statement because again I must compliment all the people who were present here last Friday for the attitude they took. In dealing with a matter of this kind we may, if we are not guarded in our statements, touch upon the natural sensitivity of other governments. It is a sensitive and delicate question, but the way in which it was dealt with by our committee was of wonderful help, I believe, towards the solution of that great, great question.

The idea of the committee now is to continue with the questioning. I must apologize to Mr. Mowat for telling him that the next meeting of the committee was to be on Tuesday. I had forgotten that we were to meet again this morning. Now I believe it will be in order for Mr. Jacques to continue the questioning that he started last Friday.

Mr. JACQUES: The Jewish persecution in Europe has been mentioned; but now that Hitler is dead and the Nazis are dead, who is responsible for any persecution or persecutions there may be in Europe today?

Mr. GARBER: Hitlerism is still alive.

Mr. JACQUES: What do you call Hitlerism?

Mr. GARBER: The doctrines that Hitler disseminated during his lifetime are bearing fruit in many parts of Europe to-day.

Mr. JAKES: May I observe that, according to the Communists, anybody who was not a Communist is a Fascist or a Nazi. Complaint has been made in the House more than once of Jewish persecution in Canada. Do you say that there has been any such action by anybody in Canada?

Mr. GARBER: Decidedly not.

Mr. JAKES: You say "decidedly not"?

Mr. GARBER: I say, "decidedly not".

Mr. JAKES: I think the statement was made on Friday that the Balfour Declaration excluded Palestine. That statement was made, I believe.

Mr. MOWAT: I made the statement that the British ruling on the promises made to the Arabs world excluded Palestine from any promise of Arab independence, and I quoted the British official dictum on that point contained in the White Paper of 1939. I should be glad to place the quotation again in the record if you wish to hear it. In 1939 we had the latest official British pronouncement in regard to promises of Arab independence which rules anything on the basis of the McMahon correspondence out of court.

Mr. JAKES: Then there should be no need for me to read the Balfour Declaration which states specifically that His Majesty's government views with favour the setting up in Palestine of a national home for the Jewish people, it being clearly understood that nothing would be done to prejudice religious or civil rights of non-Jewish communities in Palestine or the rights and privileges enjoyed by Jews in any other country. That seems to me to be a most definite inclusion of Palestine.

Mr. MOWAT: Political promises were made to the Jewish people and the protection of civil and religious rights were guaranteed to the non-Jewish communities in Palestine but not any political status of the Arabs as a group in Palestine.

Mr. JAKES: Then what about the McMahon Agreement?

Mr. MOWAT: As to the McMahon Agreement, the validity of this claim for Arab independence in Palestine—I am reading from the 1939 White Paper on Palestine—of the British government:

Based on the correspondence passed between Sir Henry McMahon and the Sherif of Mecca was thoroughly and carefully investigated by British and Arab representatives during the recent conference in London. (Command Paper 9574). His Majesty's government adhere to the view that the whole of Palestine west of the Jordan was excluded from Sir Henry McMahon's pledge, and they therefore cannot agree that the McMahon correspondence forms a just basis for the claim that Palestine should be converted into an Arab state.

Now, the argument is that of the British government, and I do not think that any person should be examined by this committee on that point.

Mr. JAKES: Articles of Agreement were signed by Emir Feisal and Dr. Chaim Weizmann. Emir Feisal added the following rider:

Provided the Arabs obtain their independence as demanded in my memorandum dated the 4th of January, 1919, to the foreign office of the government of Great Britain, I shall concur in the above articles. But if the slightest modification or departure were to be made, I shall not then be bound by a single word of the present Agreement which shall be deemed void and of no account or validity, and I shall not be answerable in any way whatsoever.

That rider was added by the Emir Feisal. I get that from a book by George Antonius entitled, *The Arab Awakening*. Then we have President Roosevelt's promise made to King Ibn Saud—

Mr. Low: Is that the one made during the war?

Mr. JAKUES: Yes; I might say that in 1922 the United States Congress passed the following resolution:

That the United States favoured the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights enjoyed by all other non-Jewish communities in Palestine which shall be adequately protected.

Mr. MOWAT: Are you asking a question? What about Ibn Saud? What is your question about Ibn Saud, Mr. Jaques?

Mr. JAKUES: I was going to ask you if this was so: that on the 5th April, 1945, President Roosevelt stated in a letter to King Ibn Saud:

Your Majesty will also doubtless recall that during our recent conversation I assured you that I would take no action in my capacity as chief of the executive branch of this government which might prove hostile to the Arab people.

Then, on October 27, 1945, President Truman, in a speech on Navy Day said:

We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their freely expressed choice without interference from any foreign source. That is true in Europe, in Asia, in Africa, just as well as in the western hemisphere.

Mr. MOWAT: My answer to that point is the evidence of Mrs. Eleanor Roosevelt, who was giving evidence in regard to her husband's conversation with Ibn Saud. She revealed that the late President told her about his conversation on Palestine with King Ibn Saud, and emphasized that she considers it "not only unfair but very unwise" to use past utterances to influence new decisions. The statement made in her syndicated column, was prompted by Mrs. Roosevelt's desire to clarify the rumours surrounding the exchange of correspondence between her husband and the ruler of Saudi Arabia which was made public by Secretary of State James F. Byrnes. Pointing out that one can really never tell what a man who has been a thinker and a leader in either public or private life, would think or do if he were alive and facing new circumstances. Mrs. Roosevelt writes:

I had heard my husband, on a number of occasions after his return from Yalta, give an account of the visit paid him by King Ibn Saud. My husband stated that he felt his conversations with the Arab King had been a failure since the King had told him that as long as he lived he did not wish any change.

An influx into Palestine of Jewish people from the big cities of the world like London, Paris, Berlin, New York, would meet resistance because it tended to change the way of life of the whole land. "The Arabs," said King Saud, "are of the same Semitic race as the Jews and get on well when their backgrounds are similar." My husband said that King Ibn Saud had been a warrior all his life; he was not interested either in farming or forestry; his people were herdsmen and nomads, and he wished no change. My husband felt that a later generation might feel differently, but at present there was very little hope of a changed attitude on the part of the Arabs where Palestine was concerned.

Mr. JAKUES: That, of course, is merely Mrs. Roosevelt's interpretation.

Mr. GARBER: May I supplement? Our claim is based on the Balfour declaration and on the mandate which flows from the Balfour declaration. The mandate was approved by the council of the League of Nations consisting

of 52 nations. The United States not having been a member state of the League of Nations entered into a treaty of its own with Great Britain whereby the terms of the mandate were approved as far as the United States government was concerned. Now, any utterance made by any political personage on the particular circumstances which would be in violation of those three documents, the Balfour declaration, the mandate and the treaty between Great Britain and the United States, would not affect the basic question of the rights granted previously.

Mr. JAKUES: All those statements as to policy date from the Balfour declaration, but personally I have never understood on what Mr. Balfour based the right to issue the declaration in the first place?

Mr. MOWAT: It was a right contingent upon the sanction of the international authority, a right in the first instance of the allied and associated powers who won the war, and in the second place by the approval of the League of Nations which represented and spoke for the international community. It was contingent upon that authority.

Mr. JAKUES: In other words, it was a right which was conferred upon Great Britain or the British government or Mr. Balfour, whichever you like, by right of conquest, and I have always understood it was not a war of conquest; it was just the opposite?

Mr. MOWAT: It was contingent upon the validity of international law which was a matter of world agreement, and approval of the League of Nations. The Balfour declaration was contingent upon that. What Great Britain had been doing was formulating a policy in regard to Palestine.

Mr. JAKUES: Because they had a mandate?

Mr. MOWAT: No, they did not have a mandate until 1922. They formulated a policy in regard to Palestine and when the treaty of Versailles was in process of formation Great Britain appeared before the people who were the contracting parties to the Treaty of Versailles in the unique position of being the only great power that had a mature policy in regard to Palestine. Therefore she was in a unique position to receive the consideration she did receive in having the mandate conferred upon her. She got the mandate conferred upon her on the basis of an interested party who had a stake in Palestine extending an invitation that the mandate be conferred upon Great Britain by the League of Nations.

The Arab policy was clear. When the war was finished Great Britain should get out. If Great Britain had waited for an invitation from the Arab world or from the Palestinian Arabs to remain in any capacity in Palestine she would be waiting yet. But here was a people, the Jews, who had an incontestable historical association with Palestine. That was represented to the League of Nations as a basis for a mandate to a power that would sponsor a national home for the Jewish people validated by the incontestable historical association, and that gave legal sanction for the mandate.

If that had not been provided what would have been Great Britain's position in Palestine? She would have had no possession on the basis of Arab cooperation, but she had a legal position in Palestine that the League of Nations saw fit to validate because world Jewry, to whom the Balfour declaration was addressed, cooperated and asked that the mandate for Palestine be conferred on Great Britain. Had they refused to extend that invitation possession of Palestine by conquest was not on the score of settlements in World War I. That point has been raised by Mr. Jaques. Great Britain and the United States had abjured any pretension to the extension of their already generous territories by conquest, so they were not in a legal position in which to set up continuous holding of Palestine territory in any administrative or other capacity.

Evidence on this point was submitted to the Anglo American committee by Field Marshal Smuts. This is what he says:

I shall have no opportunity to give oral evidence before the committee, but consider it right and proper to clear up one point, which I consider of great importance for the information of the committee.

That point is the question whether the Declaration was at its inception meant to be a mere temporary expedient out of a present difficulty, or was intended to be a declaration of long range policy for the future. It must be important for the committee to know whether, in the minds of the original authors of the Declaration, it was planned as a firm policy for the future, or merely as a temporary plan to deal with an existing problem of a passing nature. Clarity on this point must have a close bearing on the question of large-scale revision, or even abandonment of the plan embodied in the declaration. It is on this particular point on which I wish to make the following statement of my clear impression and understanding of the scope and intention of the Balfour Declaration.

I am quite clear that the Declaration was meant to be a statement of long-range policy for the future. Of course all human policies are subject to change of circumstances, and to revision in the light of such change. But there is no doubt in my mind that the Declaration was meant to affect permanently the future course of events in Palestine, and was so conceived by those who took part in its formulation.

When the Declaration was made in 1917 there was no sudden emergency calling for an executive plan. There was no problem of large-scale Jewish persecution at that time calling for such a plan. Jewish persecution in its intense form is a phenomenon of postwar developments. The concept of nationality was coming very much to the fore, and in the subsequent Peace Treaty led to the recasting of the political map of Europe. The Jews were considered a people who had been expatriated from their own homeland and scattered over the world. In that sense they were a homeless people, and historic justice demanded a policy of their return to the ancient homeland. That land was at the time under the domination of an enemy power, the Turkish Empire, from which every effort was being made to expel the Turk.

The situation was therefore ripe for a declaration about the future of Palestine, and the Balfour Declaration emerged as a statement of policy whereby the Jews would be provided after the war with a national home in their historic homeland, from which they had been expelled by Romans and Turks in the course of the centuries. The Declaration in its very essence aimed at a long-range national plan for the future.

I think that deals with the point raised by Mr. Jacques so far as the question of sovereignty in Palestine is concerned. The Balfour Declaration was merely a statement of policy, and it was contingent upon its being sanctioned by the sovereign power after the end of the war. At the time of the Treaty of Versailles this sovereign was the allied and associated powers which took care of the disposition of the conquests from World War I, and under whose auspices at the Treaty of Versailles the mandatory system was produced. They stated that the League of Nations should be the body exercising sovereignty in Palestine by reason of the fact that the mandatory was made responsible and had to report every year on his trust to the Permanent Mandates Commission of the League of Nations.

As I say, it was not an arbitrary action on the part of Great Britain, which is the point you raise, of disposing of Palestine by the Balfour Declaration. It was not disposed of by that declaration but by international authority which placed Great Britain there as a mandatory.

Mr. JAKUES: You will admit that the terms of the Balfour Declaration of 1917 are one thing; and you will admit that the present claims of the Zionists to-day are something different.

Mr. MOWAT: No, I do not admit that. What I do admit is that a Jewish state was not promised in the terms of the Balfour Declaration. I do admit that. But I wish to assert that the framers of the Balfour Declaration told the Jewish people, when they assumed the mandate, that the national home was of the status of a minority, the Jewish community in Palestine, and that if the Jews took advantage of the opportunity offered to them to colonize Palestine, in the words of Lloyd George, then Palestine would become a Jewish state.

Mr. FLEMING: Did you say "could become"?

Mr. MOWAT: No, I said "would" become a Jewish state; and Mr. Balfour said the same thing in his statement that the Jewish state could not be immediately set up in Palestine, but was something to be developed by a process of political evolution.

Mr. JAKUES: In other words, they said one thing and meant another.

Mr. MOWAT: No, they brought out the national home status, as distinguished from the status of the Jewish community as it existed before the war as a "bridge status" to a Jewish state which would be possible when and if a Jewish majority was achieved in Palestine; when that community was still in a minority status under the mandate it would permit a national home; but the word "national" is of great significance there because it is a recognition of the craving need of the Jewish communities throughout the world for a national status of its own. In that regard I would like to supplement what has been said in regard to nationality by mentioning the definition of the Jewish state which the Zionists themselves, through their most representative men, have submitted before the Anglo-American Commission. Professor Brodetzky, chairman of the Board of Deputies in Britain, testified before the committee during its December sittings and the question was raised: when excessive nationalism has made the world bankrupt, what is your justification for setting up another national status for people like the Jews? You will simply be compounding the position we are already in? And his answer to that was this. In reply, The British Zionist leader said:—

The essence of a Jewish state is: wherever Jews are now, their position is determined by others. They wish to live in a country where their civilization, their status, and similar matters are determined by them. Our conception of a state is not that Jews should become a power, but that they should live freely with their traditions and not have a minority status.

Liberation from the ubiquitous minority status of the Jews throughout the world implied or pledged in the Balfour Declaration. If it meant liberation to Jews in countries of persecution from the penalties of the minority status, then the Balfour status meant something. If it did not mean that, it meant very little to the Jewish community.

Mr. JAKUES: Just what is the status of a Jew in any country? For instance, take a Jew in Canada, is he a Jew or a Canadian or what?

Mr. MOWAT: Mr. Garber will answer that question.

Mr. GARBER: Mr. Jaques, I would like to explain the question by drawing suggestions between country and country. Take the British Empire, or a member of the British Empire. They do not visualize any Jewish problem in the national sense. There might be problems of individual adjustment; there might be slight acts of irritation when a Jew cannot get into a certain hotel and things of that sort; but in the political sense, Jews are not complaining, nor are they here to make any plea on behalf of the Jews of Canada.

But take a country such as Poland or most of the countries of Europe, or Germany, since the defeat of Hitler; take some countries of Europe where apparently the Jews are well treated; there is no guarantee that in twenty-five years' time the situation may not be completely changed because, in all those countries, the Jews are not in control of the legislative machinery. As Mr. Mowat has said: they did hope there would be one small spot where the Jews could make their own laws with due regard to the rights of a minority, or under the protection of the League to see that the Jews themselves did not abuse their rights as a majority. But at least in Palestine they would be a majority, and if it were not for that hope, the Jews would never have accepted the terms of the Balfour Declaration or mandate and put that tremendous machinery into action and spent that vast sum of money and energy to build that country with no intention that it be left in the hands of an Arab majority. Look at what happens to the Jews in some of the Arab lands?

Mr. JAKES: May I say for the benefit of those who are not members of the committee, that I am a very strong nationalist myself and I have every sympathy with the Jew or with anybody else who believes in nationhood. I am anxious to preserve the national homes of all people from international control. My only doubt is as to the propriety of setting up a home in a country which, for the last 1,300 years, has been the home of other people who, apparently, are not willing to surrender their sovereign rights in that country. I may also say that I am an Englishman by birth and I feel very very keenly any departure from what I was brought up to believe: the sacredness of the word of the British government. I don't think there is any doubt, since the last war—I would not put a date on it—that the prestige of the word of the British government has deteriorated, and that is the reason for the deterioration of British prestige throughout most of the world.

Mr. BENIDICKSON: You mean since World War I?

Mr. JAKES: Yes, I would say so. When I was in England two years ago, I discussed these questions with some of the members of parliament over there and they actually admitted it—I won't mention the names publicly, but I am willing to give them privately.

Mr. FLEMING: Are we confined now to questions or to statements? If we are going to have questions, very well. Mr. Jaques has the floor, but if it is a matter of statement, I would not want a statement such as Mr. Jaques has just made—that British prestige has deteriorated throughout the world, or that the sacredness of the word of the British government has deteriorated—to be passed unchallenged.

The CHAIRMAN: On Mr. Fleming's point I would say that Mr. Jaques should give the name of the member of parliament who made that statement, otherwise we should not have it in the record.

Mr. JAKES: I will make it on my own responsibility then. I think it is pretty obvious that the prestige of the British government has deteriorated, and as I said in parliament last December, Palestine is one of the graveyards of that prestige. Is this a fair statement?

Mr. GARBER: Quite so; and I think that if the British government were to redeem its pledge to the Jews in Palestine, its international prestige would be brought back to its former undisputed position.

Mr. JAKES: In 1915 the British government, or the British Commonwealth of Nations if you prefer it, found themselves threatened by German-led Turkish forces in Palestine with respect to the Suez Canal for one thing, and they sent Lawrence and some others.

Mr. LEGER: I believe this is a repetition of what was said on Friday. I do not think we should have a presentation like that. A good many of us want to ask questions. To ask questions is the right of every one of us.

Mr. JAKES: This whole question of Palestine is not one to be treated lightly. What I was trying to say was: that when Great Britain or the British Commonwealth of Nations found themselves threatened by German-led Turkish forces in Palestine, which threatened the Suez Canal, Sir Henry McMahon made overtures to the Arab leaders that if the Arab leaders would bring in their Arab forces and join the British against the Turks, then the British would guarantee Arab independence. Now, I think that is a pretty fair statement; but at the same time, or perhaps shortly afterwards, owing to the damage by German submarines, there were certain key materials which were absolutely necessary to the making of munitions which were cut off from Great Britain. Mr. Lloyd George as Minister of Munitions, was faced with a crisis. Then Dr. Chaim Weizmann, who was a great chemist, solved that problem by producing synthetically, the basic key material which was essential to the manufacture of explosives. Mr. Lloyd George asked Dr. Chaim Weizmann in what way he could reward him? And Dr. Weizmann said: "I want nothing for myself, but I would like Palestine for the Jews." That is roughly what took place. Would you say that that is a fair statement?

Mr. MOWAT: You ask me if I think that the Arab contribution to the winning of the war deserved more generous treatment than it got?

Mr. JAKES: I do not think that is the point.

Mr. MOWAT: You are stressing the value of the Arab contribution to the war in that they helped to destroy the Turks.

Mr. JAKES: No, I stressed the value of the promise given before that; if the Arabs joined and helped the British, then they would be guaranteed their sovereign independence which included what then was a part of the Arab territory which certainly would include Palestine.

Mr. MOWAT: I have already made the point of the British governments attitude in regard to Palestine. We do not admit—and I agree with the government in this—that any promise was made of handing over Palestine to the Arabs when the war was finished. The legal position of the British government on that is well stated. But as to the Arab contribution towards the winning of the war being worth more than the \$55,000,000 in gold which was paid to them by the British government—they were paid to fight for their own freedom. Sir Philip Grave states:—

"The Land of Three Faiths" London, 1923, pp 112-113: . . . but the Palestinians (Arabs) confined themselves to deserting in large numbers to the British, who fed and clothed and paid for the maintenance of many thousand such prisoners of war, few indeed of whom could be induced to obtain their liberty by serving in the Sherifian Army.

And T. E. Lawrence on the tribesmen:—

T. E. Lawrence, *Seven Pillars of Wisdom*, pp. 103-104: Fighting qualities of the tribesmen from the Hejaz and Transjordan. "Blood feuds were nominally healed. . . All the same, the members of one tribe were shy of those of another, and within the tribe no man would quite trust his neighbour. Each might be, usually was, whole-hearted against the Turk, but perhaps not quite to the point of failing to work off a family grudge upon a family enemy in the field. Consequently they could not attack. One company of Turks firmly entrenched in open country could have defied the entire army of them; and a pitched defeat with its casualties, would have ended the war by sheer horror.

That is the estimate of two outstanding men who knew what they were talking about as to the value of Arab military contribution towards the emancipation of those Arab lands which fell within the boundaries of the Ottoman Empire in World War I. As far as the British promises are con-

cerned, I have stated opinions in regard to them, and, I submit, as to whether the Arabs were treated generously on the basis of the co-operation they provided to win World War I in the Middle East, and I have quoted authorities on the subject. I leave that to the consideration of the committee.

Mr. JAKUES: There is no question of judging, afterwards, the value of the Arab contribution. If it was useless, then I do not know why Lawrence of Arabia was offered such high honours for helping to lead them in the war. The point comes to this, really, that afterwards the claim of Dr. Weizmann for having solved this chemical puzzle was given priority to the promises given to the Arabs for helping to expel the Turks from Palestine.

Mr. GARBER: May I say, Mr. Chairman, that this story of Dr. Weizmann is a true story; but it would be simplifying matters too much if we were led to believe that that alone was responsible for the issuance of the Balfour Declaration. We all know the whole story. First of all, there was an age old association between the British people and the Jewish people through the Bible. Balfour and the people who surrounded him were great students of the Bible and they thought this would be an historic opportunity for Britain to do something on a grand scale for the people of the Book. Secondly, we come to the British practical sense which seems to have led Britain into helping the Arabs.

In 1916 and 1917 Britain wanted to get help wherever she could and she did want to enlist the support of world Jewry on her side. The United States was still neutral and there was a powerful Jewry there, a lot of whom were of German stock. There was great pro-German sentiment in the United States which the British were anxious to swing over to our side. But the most fundamental reason for the Balfour Declaration was this: that Britain was afraid for her position in the Middle East. She knew that eventually these Arab lands would become independent. The Arabs having nothing to complain about because they have obtained independence in six or seven different countries, Palestine excluded. The British did want to establish in that strategic spot a strong Jewish community which would be grateful to Britain and act to guard the life-line of the Empire. The Jews readily agreed to it. A great many of the Jewish people were English speaking and they wanted to take advantage of this opportunity to form a partnership with Great Britain in Palestine. That was their primary response to the Balfour Declaration. As far as the Jewish people were concerned, if the pledge of partnership were lived up to, Britain would have her strongest ally at a point where she needs an ally.

Mr. JAKUES: In the White Paper of 1939 there is a very important point that has been denounced by Zionists. Malcolm MacDonald, who was then colonial secretary, called both the Zionists and the Arab representatives together in London, in the Spring of 1939, and having digested the viewpoint of both sides, he issued the well known White Paper of 1939 which was not favoured by the Arabs and was very strongly objected to by the Zionists who have been endeavouring to get it abrogated by Great Britain ever since. I think you denounced the White Paper of 1939 on Friday. Could you tell us on what grounds you did denounce?

Mr. MOWAT: Because it is not authoritative in international law. The Balfour Declaration is part of the international law of the world; but the White Paper of 1939 is a uni-lateral Act of the British government and it can be cancelled by international authority. If Great Britain sees fit to act on the recommendation of the Anglo-American committee to-day, that is Great Britain's responsibility; but the White Paper was thrown out by the Permanent Mandates Commission of the League of Nations as a violation of international law. General Smuts has agreed it is involved and it is subject to cancellation legally by an international authority.

Mr. JAKES: Did you say that there was established a valid international law?

Mr. MOWAT: Yes, through the League of Nations.

Mr. KNOWLES: I have a question I would like to have discussed, Mr. Jaques.

The CHAIRMAN: I would like, after Mr. Jaques is through, for Mr. Leger to have the floor and to ask the next question.

Mr. JAKES: I have only a few more questions.

Mr. LEGER: We have given Mr. Jaques fifty-five minutes of our time.

The CHAIRMAN: This is a committee of the House of Commons and we must give all the leeway possible to all the members of the committee.

Mr. JAKES: There is another question. Should it come to war with the Arabs, and it looks as though it might, who would fight the war on the side of the Zionists, who would help to expel the Arabs?

Mr. MOWAT: There is no question of expelling the Arabs. They are welcome in Palestine. There are half a million more now than there were when the Balfour Declaration was implemented. Such a war would be fought in the whole of the Middle East, if these Palestinian Arabs fight. But if the Arab world fights—

Mr. JAKES: Have they resisted the Zionists claims?

Mr. MOWAT: I think the Jewish Resistance Group in Palestine will take care of the situation.

Mr. JAKES: You think that is right?

Mr. MOWAT: I thinks that is right, yes. They have offered to do so. When the G.O.C. of the Middle East Command testified before the committee in Jerusalem, he stated that if the British were to withdraw from Palestine, the Jewish Resistance force there was well disciplined, well armed, and well trained in the technique of fighting a modern war, something which the Arabs are not, because they did not fight in any numbers in this last war; and that the Hagana could take care of the defence of Palestine. He said he was not persuaded that the whole Arab world, even with its 33,000,000 in the middle East, Iraq, Lebanon, Syria, and Saudi Arabia, would rise in sufficient strength to give the Hagana much trouble. That is what the G.O.C. of the Middle East, and General Officer commanding the British troops in Palestine, testified before the committee.

(Authority Mr. Bartley Crum, member of the American section of the Anglo-American Committee of Inquiry on Palestine.)

Mr. JAKES: Who supplied the arms, Is such a Jewish army in Palestine legal, nationally or internationally?

Mr. MOWAT: 15,000 rifles were supplied by the British during the war at a critical period when the Arab world was very hostile to allied and British interests, and when the Mufti from Berlin, was exorting an Arab revolution in the Middle East. The British gave 15,000 rifles and machine guns to the Hagana, for the defence force which was not serving outside of Palestine. That accounts for the 15,000 rifles. That is a statement on the British military crisis in the Middle East about what was contributed in arms to Hagana as a means of stabilizing the British military situation in the Middle East during the most critical days of World War II.

Mr. JAKES: But the army has not national or international status.

Mr. MOWAT: It was a very present help to the British in a time of trouble. For them to try to disarm the Hagana now is something that the Anglo-American committee would not agree to, based on the protection or lack of protection of the public, or lack of public security, during the period of the mandate. The

decision of the Anglo-American committee was that to disarm the defence force of the Jews in Palestine would not be just.

Mr. JAKES: Has your organization anything to do with the new Zionist organization of America?

Mr. GARBER: No, absolutely not. They are not affiliated with the World Zionist Organization.

Mr. JAKES: Have you taken any steps, any effective steps?

Mr. GARBER: To repudiate them? They have been repudiated in the metropolitan press of New York many times. Their delegates are not admitted to the congress of the Zionist organizations of the world.

Mr. LOW: Do you know Colonel Morris J. Mendellson?

Mr. GARBER: He is one of those.

Mr. LOW: How strong is this organization?

Mr. GARBER: We think it is merely an organization that exists on paper and backed particularly by some non-Jewish isolationists and notorious anti-British politicians in the United States, men like Senator Edmund Johnson and some others who have always been anti-British, and they are merely jumping on this band wagon.

Mr. LOW: You have seen this advertisement that appeared in the New York Post on Tuesday, April 16?

Mr. GARBER: Unfortunately it also contains a statement of one Canadian, and he is certainly repudiated by our organization.

Mr. FLEMING: Who is that?

Mr. GARBER: A Montreal lawyer, unfortunately. We have had him at our round tables many times to try to reason and argue with him, but he is notoriously obstinate.

Mr. KNOWLES: Put it down for being a lawyer.

Mr. GARBER: This is a democracy and one cannot do anything with the man.

Mr. FLEMING: Is there any reason why his name should not go on the record?

Mr. JAKES: The newspaper *P.M.* was mentioned on Friday as endorsing your policy. I was going to ask if you were aware of the political leanings of *P.M.*?

Mr. GARBER: I do not really know but I understand it is very much to the left of centre.

Mr. JAKES: It is Communistic, in other words.

Mr. GARBER: It is a millionaire's privilege, I suppose.

Mr. JAKES: It is a Communistic paper. There is no doubt about that.

The CHAIRMAN: If Mr. Jakes is finished Mr. Leger will be the next one to ask questions. Before we proceed I believe that the members will approve my calling on Mr. Heaps before we adjourn this meeting. As most you know Mr. Heaps is an old parliamentarian and has made his mark in the House of Commons. I believe he will have something to contribute to the present discussion. I will now call upon Mr. Leger.

Mr. LEGER: I want to clarify the stand I took when the question arose as to whether we should hear the Zionists. I opposed hearing the Zionist association because the order of reference did not permit us to do so. The order of reference given us was to go over the estimates of the Department of External Affairs. I now want to ask a few questions. I shall ask Mr. Garber and Mr. Mowat to be brief and to the point. I shall do the same. Who is in charge of the government in Palestine at the present time?

Mr. MOWAT: His Majesty's government in London is in charge of the government in Palestine through a high commissioner's administration headed by General Cunningham.

Mr. LEGER: Are there any Arabs or Jews in the present government?

Mr. MOWAT: Only in the lower grades of the civil service.

Mr. LEGER: To whom do you attribute the disturbances in Palestine at the present time?

Mr. MOWAT: Two groups. There are two terrorist groups operating in Palestine. There is a group known as the Urgin and another group known as the Stern gang.

Mr. LEGER: Are they Arabs?

Mr. MOWAT: They are Jews who are using terrorism as a weapon against the policy of the mandatory which they oppose and which they say needs to be resisted by violence.

Mr. LEGER: Are they Zionists?

Mr. MOWAT: They are not members of the Zionist group that is represented in the Jewish agency.

Mr. LEGER: What are their reasons for creating such disturbances?

Mr. MOWAT: The degradation of Jewish citizenship by the mandatory in Palestine. I will illustrate that by mentioning what was told me at an Institute of International Affairs session by a Canadian major who spent the winter of 1944-45 at Benevento in Italy with the Canadian infantry. He said, "I knew two Palestinian Jewish officers with whom I shared a collapsible bath during four months in the winter." They often discussed the white paper. They said they were submitting to that policy without act of protest during the war but when it was over they would protest. They would return to Palestine and take up resistance. If they wanted to buy land on which to settle they were confined to 5 per cent of the area of Palestine; 95 per cent of the area of Palestine was closed to them as an area in which they had the right of land purchase. That is due to one of the clauses in the white paper. If they wanted to bring some of their relatives from Europe, whom they hoped might survive, to Palestine to start life anew the mandatory said that they might not bring them in but an Arab neighbour who had not fought for freedom in this war, and who might have been a Quisling, might send to Iraq or Egypt or Syria and bring in any relative of his without reference to a quota, and he had the right to buy land in any part of Palestine by the authority of the mandatory. In other words, the Arab who had not fought in this war was a first class citizen of Palestine while the Jew who had fought for freedom in this war against the dictators was a second class citizen of Palestine. They said they would resist that, possibly violently.

In addition to that you have a third group, the Haganah, a passive resistance group which has used diversionary tactics in order to get entrance legally, as they say, under the Balfour Declaration policy, of Jewish people into Palestine.

Mr. LEGER: Who are they?

Mr. MOWAT: Practically the whole of the Jewish population in Palestine is directly related to what they call their resistance force, but they are quite different from the terrorist groups, which are a very small group in Palestine.

Mr. LEGER: Has the British parliament promised the admission of 100,000 Jews into Palestine?

Mr. MOWAT: Have they promised it?

Mr. LEGER: Yes.

Mr. MOWAT: No, they have not.

Mr. LEGER: Can you tell the committee if there are any Jews seeking entrance into Palestine without first obtaining permits or papers enabling them to do so? If so, why?

Mr. GARBER: They definitely do because the government operates under a quota of 1,500 a month.

Mr. BENIDICKSON: 1,500?

Mr. GARBER: Yes, and the people in Europe are so desperate they try to get to Palestine the best way they can. They charter boats, and they get in.

Mr. LEGER: Is it so that prior to the Jews coming to Palestine there was no irrigation system?

Mr. GARBER: The land was absolutely desolate in 1917.

Mr. LEGER: Have the Jews established an irrigation system and caused non-productive land to produce?

Mr. MOWAT: A very large proportion of the land which the Jews have settled in Palestine is land which has been drained and converted to agriculture.

Mr. LEGER: In other words, it was arid land?

Mr. MOWAT: It was arid land which was not occupied by the Arabs, and they considered this land to be useless.

Mr. LEGER: Now it is producing heavy crops?

Mr. MOWAT: Now it is producing abundantly.

Mr. LEGER: Do the Jews and Arabs seem to assimilate?

Mr. MOWAT: One of the encouraging things about the past few months has been reports of correspondents which have come to the press on this side of the Atlantic stating that tension seems to be on the higher political level, and that most of the people are neighbourly and seem to get on very well together.

Mr. LEGER: Are there any Arabs working for Jews?

Mr. MOWAT: Oh yes, a great many.

Mr. LEGER: Do the Jews pay the Arabs well?

Mr. MOWAT: Can you document that, Mr. Garber? They have a tariff for Arab labour.

Mr. GARBER: There is a very authoritative book published recently. I referred to it the other day. It is called, "Palestine, Land of Promise".

Mr. LEGER: I am only asking a question.

Mr. GARBER: I want to quote from it.

The daily wage paid to a non-skilled Arab labourer in Palestine is 100 to 180 mils while a skilled worker gets from 250 to 600 mils a day.

In Syria the wage ranges from 67 mils in the older industries to 124 mils in the newer ones.

Mr. Low: What is a mil?

Mr. GARBER: I guess it is a unit of currency.

A factory labourer in Iraq is paid from 40 to 60 mils. A mil is one-quarter of a cent at the current rate of exchange.

Mr. LEGER: Has the standard of living been better since the Jews have established there?

Mr. GARBER: Decidedly.

Mr. MOWAT: That is mentioned repeatedly by people who travel in Palestine, that the Palestinian Arab is the best off Arab in the whole of the Middle East. He is so well off that the Arab population of Palestine has increased enormously and is the only place in the Middle East where an enormous increase has taken place. That is due to the attractiveness of life in Palestine under the influence of the Jewish national home project.

Mr. LEGER: Will the Zionists admit that Great Britain and the English speaking world have been the very greatest friend?

Mr. MOWAT: Pardon?

Mr. LEGER: The very greatest friend?

Mr. MOWAT: Mr. Garber can answer that question. It is the opinion of myself and all those interested in this problem that the greatest friend the Jewish race has ever had, or still has, fundamentally is Great Britain and the British people. That is why we are so anxious to make good on the Balfour Declaration policy which we regard as an engagement with a people with whom we have a unique association in history.

Mr. FRASER: There was a motion picture shown in the theatres across Canada within the last two months as to irrigation in Palestine. Do you remember what the name of that picture was?

Mr. MOWAT: I do not remember that—it was a March of Time.

Mr. FRASER: That was it. That was a wonderful picture. It was worth while.

Mr. LEGER: I saw it.

The CHAIRMAN: Before we proceed I want to say a few words on the point raised by Mr. Leger. I know that he does it with the idea that the External Affairs committee should be a going concern. It is true our order of references as given to us at this session was the estimates of the Department of External Affairs. That was a departure from the ordinary procedure. It was the first time that the estimates of a department were given to a committee to deal with. In fact, it has been fought against in the House of Commons on several occasions. For instance, members have objected that finances will come before the committee when the different items are discussed. I should like to say that the order of reference is much wider than what we had last year because every time we wanted to deal with something new we had to ask for a new order of reference. It was very unwieldy as far as our committee was concerned.

The moment we began to deal with these items we found wonderful co-operation from every official of the Department of External Affairs, but we were also confronted with this fact that due to their ramifications we had to call in some officials of other departments. For instance, we had to call Mr. Jolliffe of the Department of Immigration. Later on we had to call Mr. Morse, Secretary of the United Nations Society. I believe it was time well spent. At the meeting at which Mr. Morse, addressed questions were asked.

I believe the fact that our committee allowed the Zionist movement to come before us has been vindicated by the questions that have already been asked of the people who appeared before us last Friday. I believe that our committee will be working properly, if, as far as I am personally concerned, it functions fully in dealing with matters in which international interests are involved. I appreciate the comment Mr. Leger has made on that score and the questions that he and previous members of the committee have asked from the people who have appeared before us.

Mr. LEGER: I believe you agree with me that the order of reference does not permit us to make any report regarding the Zionist or the Arab question to the House of Commons. The only thing which will happen will be that the papers will have the privilege of publishing it.

Mr. Low: That is all it is.

Mr. LEGER: We have no right to do anything.

The CHAIRMAN: I must say by way of clarification that I stated last Friday to the witnesses who were here at the time we had no power of recommendation. To protect the security and activities of the members of our committee I had a personal interview with the Minister of Justice once the request was made to our committee by the Zionists to come before us. I wanted to be absolutely sure I was on safe ground. Personally I also felt very strongly they should be allowed to come here and voice their sentiments so that it would arouse public opinion and there would be more enlightenment on this very important question.

Mr. KNOWLES: May I ask one question? I believe you want to call Mr. Heaps. I should like to hear him.

The CHAIRMAN: We are still open for questions.

Mr. KNOWLES: My question is this. While recognizing the relevance and the importance of the Balfour Declaration and the whole past history of this question is not the immediate matter, and the one we should be directing our attention to so as to be of some help, that of the recommendation of the Anglo-American Commission that 100,000 Jews be permitted to go to Palestine right away? Is it not true by all this other discussion we are not facing the issue and are defeating the purpose some of us had in wanting the matter discussed?

Mr. Low: I would suggest that all these things that are relevant must be discussed and must be brought before the public in order that they can properly assess whether or not this is the time to bring in 100,000 Jews. If by making the decision to bring them in you are going to throw the world into a war that our boys and girls will have to get into I tell you it becomes a very serious matter.

Mr. FLEMING: If Mr. Knowles has completed his question I should like to follow that with a question which I think shows clearly the relevance of this review. I should like to ask Mr. Garber and Mr. Mowat if the aspirations of those they represent at the present time do not go beyond mere sanctuary for Jews who are displaced persons in every part of the world and still look to Palestine where they hope to build a Jewish national home in the sense that would be a Jewish political state? That is correct, is it not?

Mr. GARBER: Yes.

Mr. FLEMING: So that the Balfour Declaration and the action of the League of Nations in mandating Palestine to Great Britain have a direct bearing on the question of the selection of a Jewish national home quite apart from any question of providing sanctuary at the present time for displaced persons. The next question is this. The aspirations of those who are represented are that the whole of Palestine—that is the present political state of Palestine—is to be embraced within the area within which the Jewish national home is to be founded?

Mr. GARBER: 10,000 square miles. The original Palestine was larger because it also had a much larger area across the Jordan but that was taken away in 1922.

Mr. FLEMING: Let us go back and clarify the question which has been raised from time to time about the partition of Palestine. There have been some suggestions recently about a further partition of Palestine as perhaps a contribution to the settlement of the present difficulties.

Mr. KNOWLES: It is in this morning's paper.

Mr. FLEMING: And in some of last week's, too. What is the official view of those represented by the witnesses this morning on that question.

Mr. GARBER: It is quite likely in order to get out of this terrific impasse—everybody is tired of the issue—that Zionists throughout the world may say,

"Well, let us call it a day. We will have a smaller area and we will build more intensively in the smaller area."

Mr. FLEMING: But the legal claim is, as things stand, to the creation of a Jewish national home in the light of what remains of Palestine?

Mr. GARBER: You know we might have difficulty with extreme groups. Sometimes a moderate party is forced not to say "yes" to a proposition but rather to wait until it is sanctioned by some law and not be asked to say "yes" because there is pressure of other groups. Then they might call us traitors, and all sorts of things.

Mr. FLEMING: Has Mr. Garber any figures on the number entering Palestine now in the course of what is commonly called illegal immigration but which is justified by Mr. Garber and Mr. Mowat on the strength of the Balfour Declaration?

Mr. GARBER: It is a little more than the 1,500 a month we are entitled to but not very much more. We are watched by the whole British fleet and air force.

Mr. WINKLER: I should like to ask Mr. Garber a question. Is there any estimate of the number of homeless Jews at the end of the first world war as compared to the estimate of Jews who are homeless after this war?

Mr. GARBER: There were comparatively few homeless Jews at the end of the first world war.

Mr. WINKLER: They would be largely confined to Poland?

Mr. GARBER: They were driven out by Hitler and transplanted from one country to another, so that to-day there are only a million and a quarter Jews in Europe. The Jews in Belgium, France and Holland are not homeless but about 600,000 are uprooted completely; 400,000 or 500,000 are in the camps for displaced persons.

Mr. KNOWLES: May I proceed a little further on the line which I started a moment ago? It apparently drew a bit of fire. I am sorry but I will have to make a three-sentence statement first. At one stage of the game the Zionist movement and world Jewry generally felt it would not be satisfied with anything less than the implementation of the Balfour Declaration in full, as Mr. Fleming has outlined it. Then there came a time when the Anglo-American committee made its report and both sides were dissatisfied. It did not take any intelligence on the part of any of us to realize that would be the case. The Arabs were certainly opposed to it and the Jews were opposed to it, but is it not true that the way the situation has developed, with deterioration and all the rest of it, that it has now reached the point where the issue is that 100,000?

Mr. GARBER: The main issue.

Mr. KNOWLES: And while there might be other things to settle afterwards it would be an immediate settlement of the disturbances and of all the feeling of having been let down that exists if the 100,000 were permitted in?

Mr. GARBER: It would ease the political tension considerably and give relief to 100,000 desperate people.

Mr. Low: If it can be done peacefully.

Mr. GARBER: Yes.

Mr. FLEMING: When Mr. Knowles says it is the main issue I think he means it is the main immediate issue. It does not solve the long term problem as to whether Palestine is to be the Jewish national state in a political sense. It is only the immediate issue.

The CHAIRMAN: Do you make a distinction between a national state and a political one?

Mr. FLEMING: I am trying to make it quite clear that over a period of years there has been a good deal of discussion revolving around the word "national" as it appeared in the Balfour Declaration because it was interpreted by world Jewry as involving the establishment of a Jewish political state in which sovereignty would be vested in the Jewish residents there. That has always raised this problem about the handing over of sovereignty. As we all know there have been long debates over the proper interpretation of that word "national" as it appeared in the Balfour Declaration. The only point I am making at the moment is that while the tension, as Mr. Garber has said, would be eased by the admission of the 100,000 displaced Jews from Europe to Palestine giving them a refuge there it still leaves unsolved this question of the creation of a national political state of Palestine.

Mr. GARBER: Except that some formula might be found by way of partition. I want to remind you that the whole issue of the Jewish state has really come to the fore only since 1942 as a result of a conference that took place at the Biltmore hotel in New York and which is referred to as the Biltmore program. Before that we did not stress the issue of the state too much because we are democratic enough to realize that we cannot expect an act creating a Jewish state while the Jews are still a minority of the population. We have always realized that first we have to become a majority, that is why we stress the importance of getting people in there, but before we are a majority we realize there will not be a Jewish state.

Mr. LEGER: What is the number of Arabs and Jews in Palestine?

Mr. GARBER: I would say 1,200,000 Arabs and 600,000 Jews.

Mr. MOWAT: It is referred to in the white paper that it should be in the permanent ratio of two Arabs to one Jew. I should like to add to what Mr. Garber has said that the attitude to world Jewry of the League of Nations and Great Britain and the mandate was this, that if you make good colonizing Palestine you have the opportunity to achieve statehood in Palestine. In other words, if you can earn in Palestine the status of a state by the way you colonize the country and develop it then it is yours to earn. They were faced with two possibilities. There were 55,000 Jews in Palestine in 1917. Suppose only 10,000 Jews had settled in Palestine between then and 1946. Suppose only 10,000 Jews had gone to Palestine. We would be in the position of saying to the Jews, "Look here, all these protestations of homelessness and the curse of homelessness are just so much wind. You have been vociferous for a national home, but you have had the opportunity to earn that and you have failed to qualify. Only 10,000 people have gone to Palestine out of the millions in the world that were suffering the terrors of homelessness, so we had better take Palestine and review the situation and put it to a purpose that will serve some human need because your need is not a need."

Just the opposite has taken place. The colonization of Palestine has been highly successful.

Mr. Low: How many are there there?

Mr. MOWAT: 600,000 are there; 550,000 more Jews are in Palestine to-day than there were in 1917. They have shown the genius of relating themselves in a normal way to a balanced economy basic in agriculture. That is to their eternal credit when we consider the ghettoizing of Jews in urban communities and their disenfranchisement through the centuries in a way that did not permit them to be owners of property and therefore agriculturists.

They have had the most dynamic economy that was in operation between the two wars, and the most rapidly expanding population in the world in any similar or greater area. We are in the position of reviewing the Palestine situation and saying, "Good, you have made a tremendous success but we are going to

compromise the deal on it and cut you out. You are damned if you fail and you are damned if you succeed." This is a heads I win and tails you lose proposition as far as the Jews are concerned. They cannot win no matter what they do, no matter in what good faith they launched and carried out the enterprise of the development of their national home in Palestine in a way that was monumental and with credit to themselves throughout the Middle East. No Middle East economy has been no successful since the Babylonian days when Iraq, which to-day has a population of 3,800,000, sustained 30,000,000 people in the areas of the Tigris and the Euphrates.

These people have the magic touch. They can make this country thrive in abundance. They have been overwhelmingly successful. Because they have been, we are in a very weak position to go to them and say, "Because you have made good we are going to compromise the deal on which you have been working." It is a heads I win and tails you lose proposition for the Jew. The opportunity to achieve statehood in their national home in Palestine was an opportunity quite openly offered to them by the responsible leaders of the British government in the time of the Balfour Declaration and in the years immediately afterwards. The white paper said that a state was not precluded under the terms of the Balfour Declaration. As recently as the white paper of 1939 the statement was made that a Jewish state is not precluded under mandate or under the Balfour Declaration policy.

To come along and say now, "You are not going to have a state after the successful enterprises you have launched and tended to in Palestine" is scant justice to people who have gone there in good faith.

Mr. LEGER: Was the Balfour Declaration sanctioned by the League of Nations?

Mr. MOWAT: Yes.

Mr. JAKES: Was it promised or implied that if the Jews made a commercial success in Palestine that Palestine would be their state? Was that implied or promised in any way at all in the Balfour Declaration?

Mr. MOWAT: Lloyd George, Mr. Winston Churchill—

Mr. JAKES: It is something new to me.

Mr. MOWAT: Mr. Amery. I can give you the quotations. I can quote these men. They are on the line stating that a Jewish state is right within the range of possibility. Mr. Churchill said that if at some time in the future there should rise on the banks of the Jordan a Jewish state comprising 3,000,000 or 4,000,000 people something would have happened which would be, from the point of view of British interests, of great value.

That is approximately Mr. Churchill's statement.

Mr. JAKES: Then the Balfour Declaration was just nonsense because it said one thing and meant something entirely different?

Mr. MOWAT: I am just giving you the interpretation that is placed on the Balfour Declaration policy by the leaders of the British government.

Mr. JAKES: It said that nothing should be done.

Mr. MOWAT: I do not think anything has been done either.

Mr. JAKES: Now, the witness tells us in 1917 it was said that if they make a commercial success in Palestine, they will be rewarded by being given a Jewish state. I have never heard that before this moment.

Mr. FRASER: At the last meeting we had on Friday it was brought out that Palestine could absorb 100,000 Jews and look after them. Now, to-day it is stated that the quota is 1,500 a month. How many can Palestine take in a month and look after?

Mr. MOWAT: They can distribute them and look after them among the 600,000 Jews in Palestine.

Mr. FRASER: No. They could not take in 100,000 in one shot in a month.

Mr. MOWAT: No.

Mr. FRASER: How long would it take?

Mr. MOWAT: By the end of 1946 they could absorb and take care of the whole 100,000.

The CHAIRMAN: What was the highest peak of population in Palestine history, that would be within the territory of the 10,000 square miles?

Mr. MOWAT: In the lifetime of our Lord, at the beginning of the Christian era, that area had between 2,000,000 and 3,000,000 people; but there were artificial systems of water distribution and irrigation in force at that time and the country was capable of supporting them. Lawrence went through there on a hiking tour in 1909 and this is what he wrote to his mother, giving his views of Palestine. He wrote to her at page 73 of his "Letters of Lawrence", edited by David Garnett:

It is a comfort to know that the country was not a bit like this in the time of our Lord. The Renaissance painters were right, who drew Him and his disciples feasting in a pillared hall, or sunning themselves on marble staircases: everywhere one finds remains of splendid Roman roads and houses and public buildings, and Galilee was the most Romanized province of Palestine. Also the country was well peopled and well-watered artificially. There were not twenty miles of thistles behind Capernaum: and on the way round the lake they did not come on dirty dilapidated Bedouin tents, with people calling to them to come in and talk, while miserable curs came snapping at their heels: Palestine was a decent country then and could so easily be made so again. The sooner the Jews farm it all the better: their colonies are the bright spots in a desert.

That was what Lawrence of Arabia said in 1909.

Mr. GARBER: Loder milk quotes an authority as saying that assumes the population at the time of Christ to have been 5,000,000, including Transjordan.

The CHAIRMAN: That would be a larger territory than Palestine to-day?

Mr. GARBER: Yes.

The CHAIRMAN: Larger than the 10,000 square miles of the new Palestine?

Mr. GARBER: Yes.

The CHAIRMAN: Have they got access to the sea?

Mr. GARBER: Yes, they have the coast, Haifa, Tel Aviv, and all those ports.

The CHAIRMAN: Is there a blood affinity between the Arabs and the Jews.

Mr. MOWAT: They have common Semitic origin.

The CHAIRMAN: Mr. Fraser has asked me if it would be possible to have the publication of our reports increased. I sent word that Mr. Mowat had made arrangements last Friday at his own expense to have a special issue of 5,000 copies printed in English and 1,500 copies printed in French.

Mr. FRASER: Yes, I asked the question because I thought that members of parliament or other people interested could buy extra copies if such copies were printed.

Mr. KNOWLES: Would it not be true to say that the intense interest on the part of both Jews and Goya in getting 100,000 Jews into Palestine at the present time is due more to the suffering of the Jewish people in Europe than to the Zionist ideal?

Mr. FRASER: You mean the humanitarian side.

Mr. GARBER: Quite so.

Mr. KNOWLES: Would it not be true to say that before the days of persecution, world Jewry was not so closely knit in getting people into Palestine as it is now because of the humanitarian needs?

Mr. GARBER: We always had a small but wealthy class of Jews who did not co-operate and were, in fact, antagonistic, men like Rosenwald of Chicago; but the vast mass of Jewish people supported the Zionist movement.

Mr. KNOWLES: So the non-Jews who are not interested in the Zionist ideals should be interested in it upon humanitarian grounds?

Mr. GARBER: We have a partnership agreement.

Mr. KNOWLES: I am trying to put it on the ground of support.

Mr. GARBER: Before the persecution of Jews started, we had large immigration into Palestine; there were always 25,000 to 30,000 Jews going in there every year.

Mr. JACKMAN: Prior to the first Great War, were there many Jews in Palestine?

Mr. MOWAT: Prior to when?

Mr. JACKMAN: Prior to 1914?

Mr. MOWAT: It started from a community of 15,000 to 20,000. At the turn of the century there was a Zionist movement in course of development in the world; and in 1917 there were 55,000 Jews in Palestine.

Mr. JACKMAN: Have there always been Jews there throughout history?

Mr. MOWAT: Yes; there have always been Jewish communities in Palestine, although sometimes they were very small.

Mr. JACKMAN: Have you any idea how many Arabs were there in 1917?

Mr. MOWAT: About 600,000 Arabs were there in 1917. Sir Wyndham Deedes, the president of the British Organization for the Jewish National Home, who was one of the most brilliant intelligence officers of the British army in the Middle East, said that it appeared in 1870, prior to the Zionist development, that in Palestine there were 250,000 people of all races; 156,000 of whom were settled Moslems; and if that community in 1870 included 156,000 Moslems, at the normal increase, according to the natural increase of population, they should to-day number about 250,000 in 1946; so that the majority of the 1,200,000 of Palestine Arabs must be accounted for by means other than relating them to the 156,000 Moslems who were resident in Palestine in 1870. It is a significant thing that around 1880 Zionism started to plant these Jewish colonies in Palestine. The rapid development of Palestine took place to the point where the population numbered close to 700,000 in 1917. That population increase is something directly related to Zionism in Palestine during that period of Zionist enterprise.

Mr. JACKMAN: Until 1914 was this whole area under the Turks?

Mr. MOWAT: Yes, until 1914 the whole area was under the Turks; and the local chieftains acted in the capacity of representatives of the Ottoman's Imperial government, as tax gatherers.

Mr. JACKMAN: And those figures you gave us include Transjordan?

Mr. MOWAT: No, Transjordan itself has about three times that much area. There are 10,000 square miles of Palestine supporting some 1,800,000, and, on the density of the population of Belgium, it would support in the neighbourhood of 7,000,000.

Mr. GARBER: Transjordan is ten times as large with a population of only 300,000.

Mr. MOWAT: It is about 35,000 square miles in area.

Mr. GARBER: With a population of 250,000 to 300,000 people.

The CHAIRMAN: What is the present Christian population of Palestine including all denominations?

Mr. GARBER: About 165,000.

The CHAIRMAN: What was it after World War I?

Mr. GARBER: I do not imagine it has changed an awful lot.

Mr. JAKUES: Does that exclude the Christians?

The CHAIRMAN: No, I meant all Christians.

Mr. JACKMAN: Did the Arabs in their own territories mistreat the Jews?

Mr. GARBER: The Jews in Yemen have always been mistreated. That place is down near the Red Sea. I would say, in the main, they were probably not treated any worse by the Arabs than they were by a lot of non-Arabs in certain European lands.

Mr. JACKMAN: On Friday some one asked the question whether or not there was any real difficulty between men of the Jewish population in Palestine and men of the Arab population. The answer was that they got along very well together, and that it was the hierarchy of the Arabs that seemed to stir them up to antagonism. How does that work out in these Arab countries where it is the Arab himself who holds sway?

Mr. GARBER: It varies. For instance, in some parts of Africa the Jews are degraded and still have to live in ghettos. In general their civilization and economy is so low that it does not count for anything. But I would say that socially they do get along well. They speak the same language. They all speak Arabic.

Mr. JACKMAN: Would you say that since the Belfour Declaration there have been as many Arabs as Jews immigrating to Palestine?

Mr. GARBER: More.

Mr. JACKMAN: More have come in since then?

Mr. GARBER: Yes.

Mr. JACKMAN: May I ask with respect to the 100,000, which is an arbitrary figure and based upon humanitarian grounds as much as upon any other grounds, if that figure were achieved, it would by no means solve the problem of distressed Jews in Europe, and it would only lead to their asking for permission for a larger Jewish immigration into Palestine. What significance can be attached to the 100,000 figure?

Mr. GARBER: We take it that the 100,000 are the neediest cases and that once you relieve that pressure, it does ease the position of the others and something can be done. Let us not forget that the committee in its report also urged that other countries take in some of these people, these displaced persons, both Jews and non-Jews.

Mr. JACKMAN: We have in the Balfour Declaration the statement that there should be a Jewish national home. I think you said yourself a little while ago that the only way to have a Jewish sovereignty in the country was to have a majority of the population and thereby allow the ordinary democratic processes go to to work. What protection is there under the League of Nations mandate or any other existing fundamental document at the present time which would ensure the Arabs, if they should be in a minority, or the Jews if they should be in the minority, their constitutional rights as free citizens of the world and the right of Palestine to control all the area to be turned over to the residents in Palestine? What protection have you for the minority whether it be Jewish or Arab?

Mr. GARBER: I would say that we would reach a population where the statehood would be declared and the nations would have set up something like the B.N.A.

Mr. KNOWLES: Heaven forbid

Mr. MOWAT: I would say that it would be done by a body like the United Nations, when civilian rights would be guaranteed to Jews and Arabs by treaty. Statehood would be something that the country would be accountable for to the sovereign international authority. That is what we understand by sovereign statehood for Palestine. But it is a concept which it may be necessary to realize in the world of the future. In so far as organizing the world into communities where minority rights are protected is concerned, there is very little chance in a state like Palestine, which is surrounded on every side by Arab states, that anything arbitrary would be done by any government in Palestine that would hurt the citizenship of Arabs. Arab lands touch every boundary of Palestine and the accountability of the state itself would be bound by treaty. The only Arab citizenship would be a first class citizenship.

Mr. JACKMAN: That concept is one which is thoroughly understood by Jews as well as by the Zionist organizations?

Mr. MOWAT: Oh, yes, I would not be associated with this movement unless that were thoroughly understood.

The CHAIRMAN: You are perfectly at liberty to state that, since Palestine is the birthplace of Christianity.

Mr. MOWAT: Yes; and as a Christian I certainly insist that Christians have equal rights with every other group in Palestine. I feel that to be what is in view through the effect of the development of the Jewish national home. The turning of it into a Jewish state is not beyond the bounds of possibility from the Christian point of view and it would be in the highest humanitarian interests because it would normalize the life of these people to whom the Balfour Declaration was addressed, the Jewish people. It would normalize their lives in giving them a land base to which they could look as the centre of inspiration; it would maintain intact, for the future, their culture and traditions; and it would be a very present help in trouble if it were a place where they could go as of right. That point was brought home to me by a man who was the best man at my wedding. He went to Japan to teach in the Canadian Academy. He taught there for years until 1937 when the atmosphere in Japan was so hot and anti-foreign that he took counsel with himself and said: "I must get out of here before the storm breaks." So he came back to Canada with his family.

Now, supposing that man had no citizenship in Canada; where could he have gone as of right? Supposing every country in the world was closed to him and he had no place of his own to go as of right? Supposing he had been only enjoying what is known as second class citizenship in Japan his state would have been something we would not like to share with our families. In countries where they were minorities the Jews for centuries have been in the same position as he was in; but they have had to stay and face the music of discrimination, hatred, persecution and violence. Their traditional role is that of being on the receiving end of violence, of having violence administered to them and being able to offer none in return. Anybody with a knowledge of Jewish culture knows that it was very pacific and that it counselled the Jews not to offer violence in exchange for violence. So what is taking place in Palestine to-day is something we witness with regret. Jews look upon it with hostility because it is a departure from their traditional policy; although understanding human nature, we can explain it on the basis of our own experiences under such circumstances.

Here in Palestine you have a land base for a homeland where a person in the position of these people may normalize his life and where he can say, "Civis Palestinius Sum"—I am a citizen of Palestine, if other countries are unable to give him citizenship under conditions that are endurable. If Palestine

becomes a national home for Jewish people it is a place for them as of right and not of sufferance. It offers the hallmarks of citizenship. If that position can be achieved, the position of the Jewish people can be normalized as a world community in a sense in which it cannot otherwise be normalized. With a national home or with a Jewish state, when conditions become unendurable to them in the countries in which they are living as a helpless minority, such as in Germany in the decade just preceding this one, they will have a place where they have a right to be, where they can enjoy the normal privileges of citizenship.

That is what interests me so much in these Palestine issues, the very need Jews have for such a place of their own where they can be Jews as of right, rather than as they are in other countries where they naturally have to adjust themselves to the prevailing culture. That is something that was inherent in the pledge of the Balfour Declaration and I believe that the admission of 100,000 or so, if that is worked out, and if the Jews throughout the world are normalized as are other people, such as the Danes, the Norwegians and the Swedes, by having a land base of their own, then the largest single contribution to the solution of the Jewish problem will be made by this coming into effect.

Mr. JAKES: May I ask if the Jewish home which was originally promised has now become a Jewish state, what guarantee is there that the Jewish state in time will not become a Jewish empire starting with Transjordan, for instance?

Mr. MOWAT: The guarantee is that such matters are regulated by the United Nations authority.

Mr. JAKES: What is the United Nations? Who is it?

Mr. MOWAT: Well, we belong to it, Canada belongs to it.

The CHAIRMAN: I believe the questions are pretty well exhausted and I believe the members of the committee are pretty well satisfied with the information they have received. I take pleasure in introducing to you now a man who is well known to you, Mr. A. A. Heaps. I believe Mr. Heaps has been one of the primary causes of getting Palestine oranges to us during the war.

Mr. HEAPS: Mr. Chairman and gentlemen, I might explain in the first instance how I come to be here this morning.

Mr. JAKES: Do you mind standing up, Mr. Heaps?

Mr. HEAPS: I would prefer to sit down. Let me start all over again. Mr. Chairman and gentlemen, I might say how I come to be here this morning. I noticed in the press the other day that this committee was in session; and naturally being interested in the question, I telephoned to your chairman this morning and asked him when the committee was to meet. He told me it would meet this morning and I told him I would come down and listen to the deliberations of the committee on account of the great interest I have in the question under discussion. Then I was requested by your chairman, very kindly—although I do not know if it was very wisely—to say a few words on the question because he knew I had been to Palestine, had seen things there at first hand, and that, under the circumstances, I might be able to give a certain amount of information to the members of this committee which he hoped would be useful to them.

I might explain at the outset that I have never belonged to the Zionist organization. I do not say that with any feeling of boastfulness, but I state it as a matter of fact. The Zionist organization had no knowledge of my coming here this morning. I came here entirely on my own. I do not represent anyone. Anything I say here is entirely my own view on the question. Most of my information has been gathered at first hand on the spot.

Now, the question was raised here of the attitude of the Jews towards Great Britain. I shall speak as one who, like Mr. Jaques, myself was born and raised there; and who, like Mr. Jaques, decided to emigrate to this country at a later date. We both came here. We think that the British people, if there is such

a thing as the British people, or the Anglo-Saxons of Great Britain, have no greater friend or admirers in the world than the Jewish people, practically, in all parts of the world; and there has been no question about the loyalty of the Jews to Great Britain. And I do not think there can be any question about the loyalty of the Jew here in the Dominion of Canada.

The British people have so many remarkable things to their credit, that some things go quite unnoticed. For instance, at the present time, knowing as I do, at first hand experience, the hardships that they have gone through during the war, during the past six years, yet, at this very time, when the world is suffering, the British people in particular are suffering as a result of what they have gone through, with a shortage of practically every commodity.

When I visited Britain during the war, I experienced the scanty rations on which they have had to live. Even now the British people have decided to tighten their belts another inch or two in order to feed their enemies. It is because of that attitude, which indicates the very fine qualities of the people of Great Britain, that the actions of the moment in Palestine are almost inexplicable to many people.

I say there is a fine tradition in Great Britain. Then, with respect to the revolution that is taking place in Palestine against British rule and authority, we still have to bear in mind the thought that probably the most glorious pages in British history are those which deal with revolution in Great Britain, right from the time of Magna Carta down to the period of the Chartist movement, about 100 years ago. However, I want to say a few words about my own impressions of Palestine so that you may have, I hope, an impression of what conditions of life are like there. Some years ago I received an invitation from Jewish people in Palestine to visit their country and, naturally, when that invitation included my expenses, I could not resist the opportunity.

Mr. FRASER: May I interrupt you, Mr. Heaps, to ask what your business is now?

Mr. HEAPS: I am in the civil service at the moment, in the Department of Labour.

Mr. FRASER: I wanted that upon the record.

Mr. BENIDICKSON: You are a former member of the House of Commons?

Mr. HEAPS: Oh, yes. I have got some of my old colleagues around the table. When I received that invitation to go to Palestine I went there with as open mind as any person possibly could. I did not know what to expect or what I should see, a country that was more or less primitive in its character or almost nothing. My first impression of the country was when the ship landed at the port of Jaffa, if you can call it a port. The ship waited outside about a mile from the shore on account of the rocks. It could not get in closer. An old fashioned boat came to the ship. From the ship people were taken on to the mainland in small boats.

There came to me the assistant secretary of the citrus exchange. They took me off in the boat. They spoke perfect English. The first question I put to him was, "In what part of England did you learn your English", because he had an Oxford accent. He said, "I learned my English in Telaviv; I have never been out of the country."

I landed there and I had an opportunity to try to understand the people and their problems, because I met the leading Jewish organizations; I met Arabs. I met Arab workmen; I met Jewish workmen. I was taken in hand by the citrus exchange for a part of the time and for another part of the time I was in the hands of what is called the Histadruth which is the Hebrew term for the Jewish trade union in Palestine.

Then I had the opportunity of discussing the problems with officials of the government, with the then high commissioner of Palestine. I must say

that my impressions of the country were of such a nature that I became very pro-Palestine after I visited it. I saw most of the developments that have taken place there. This is some twelve years ago since I was there, but conditions have not changed very much recently between then and now, except as has been pointed out by Mr. Leger, the chairman, and other members of the committee who asked questions that it is a tragic situation in the world. I think it is one of the most tragic situations the world has ever faced where you find 5,000,000 Jews have been exterminated in Europe, and to-day there are 1,500,000 left, most of them crying for a refuge somewhere where they know they will be safe in body and limb, at least.

To come back to Palestine I visited the first class city of Telaviv. I remember discussing the situation there with the then mayor of the city. He told me some rather remarkable stories. We stood there on the balcony of the city hall. They had a population of 75,000 where at the beginning of the century there was hardly a soul there. He told me that when he got there the land on which Telaviv was built was sold for a load of tobacco that a camel could carry but when I was there land was selling at \$4,000 per lineal foot. I cannot say what the population is to-day, but it must be almost doubled.

Mr. JAKES: 200,000.

Mr. HEAPS: I am glad that you have taken such an interest in the Palestine question that you know it much better than I do. It has grown in ten years from 75,000 to approximately 200,000, and there has not been one Arab who has been displaced in the whole country as the result of that influx of population.

May I state here that I do not think there is a Jew that I know of anywhere in the world who wants to do the least bit of harm to any Arab either inside or outside of Palestine. Unfortunately there are certain conditions under which most of the Arabs have been raised. I saw things there that aroused my pity more than my anger. I remember going past one of the buildings where the pogroms of 1929 had taken place, where Jews were killed in fairly large numbers. I went by one institution which had been a children's orphanage. It had been ransacked and burned and many of the children there had been slaughtered.

To go a little further along those lines the Jewish organizations of the world have brought into being in Palestine a great many medical clinics. Unfortunately the Arab of Palestine is a very backward person. I am speaking of the masses. I think we are dealing with the masses of the people principally. I was told that 90 per cent of the Arab population was suffering at that time from trachoma in one form or another. The Jewish women's organization had established these clinics which were patronized almost exclusively by the Arab population.

Mr. LEGER: Suffering from what?

Mr. HEAPS: Trachoma. It is an eye disease and one of the most contagious diseases known to medical science.

Mr. FRASER: And no cure.

Mr. HEAPS: They have some method of alleviating it. It is not an entire cure but it helps.

Mr. FRASER: To hold it at its present stage but not to make it any better.

Mr. HEAPS: I believe you are right. I am not a medical man, but I was told by one of the medical men, Dr. Granofsky, who was there at the time, that 50 per cent of the cases they had treated for that disease had been arrested, and in mild cases they had probably brought about a cure. Yet when the riots took place in 1929 the very first places that the Arab population plundered,

burned and destroyed were these very clinics which were helping the Arab population.

As I said I do not say this in any anger. I say it more in pity for people who could be led into such an avenue of action. I mentioned to you the growth of the population of Telaviv. I was shown around the industries there. You might be interested because we are in Ottawa to-day. I went into an artificial teeth factory there which had just recently been established and which employed about 300 people. A certain party in the United States could not get a patent for a new kind of patent tooth in the United States so he went to Palestine and got a patent there. Then he repatented it in all parts of the world. I do not know whether any of you have false teeth in your head but you may be wearing teeth that have come from Palestine. I told the owner of the factory that I came from Ottawa. He immediately went into his inside office and brought out invoices showing that he had obtained felspar, the stone from which teeth are made, which was actually obtained in the Gatineau valley near Ottawa, sent to Palestine and came back to Canada in the form of false teeth.

In the same city I saw a textile mill where formerly there was nothing but sand dunes. I saw candy factories, brass factories and even leather goods factories. I was amazed when I saw leather goods there. I said to the owner of the factory, "How do you come to have leather when there are no cows and no skins?" He said, "We manage it somehow. We have set up a goat farm and make these leather goods out of goat skin." I opened one of the bags there and in French was written "Latest Parisian creation". They were going to Paris. I am just showing you the development that has been carried on there by enterprising Jews who have come there from different parts of the world.

Then you can go, as I went, and see the electrical works. It was stated by engineers in all parts of the world that the old staid Jordan could never be harnessed for electrical development, but the Jordan was harnessed. To-day you have hydro electric energy in practically all parts of Palestine, but when I was there the Arabs still refused to use the electricity because it was owned by a Jewish company.

You have those problems, and I will deal with them in a moment or two. I want to say when I came here this morning, as I said to you at the outset, I had no intention of speaking, and I have no prepared statement. What I am saying is entirely of an extemporaneous character.

I remember another occasion when I went through the country there. Between Telaviv and Jerusalem there is a very beautiful road through the mountains. I was shown a piece of land which I would say may have been about thirty acres all told. This is not a hearsay story. I said to the man who was showing me around, "Why is it you stop and show me this piece of territory?" He said, "There is an interesting story behind it. I will tell you the story". He said that the priests in the district had been preaching for many months that no Arab should sell his land to the Jews, and the Arab population which is very loyal to their church and to the priests refused to sell the land to the Jews. The result was that the Jews were not buying land and naturally the price of land came down to a very low figure because there were no purchasers.

Mr. LEGER: Pardon me, you mentioned the word "priest". Do you mean Catholic priests?

Mr. HEAPS: Moslem priests; I should have made that clear. The Arabs are usually Moslems. I am glad you questioned me there. The land fell down in value, and finally the priest and those who were with him got an option on the property and in a very short time were in possession of it. They got a very good price for the land. The Arab people get £100 an acre for stony land.

The CHAIRMAN: An acre?

Mr. HEAPS: Yes, £100 per acre for stony land. When the original pioneers went into Palestine they drained these malaria infected swamps with their own hands and whatever primitive tools they could get. When you go through the country to-day you can see here and there in various places little stone monuments to these original pioneers who were victims of malaria when they first went into the country.

Agricultural growth and development has been mentioned. The chairman has mentioned that I had a little to do with the obtaining of the right to entry into this country without duty of Palestinian oranges, which is perfectly correct. Speaking to members of the citrus exchange I asked them if they had the most up to date methods of orange growing. They told me they had the best entomologists and agriculturists from California come to Palestine and discuss the question with them. These professors from the universities in California told them that California could teach nothing to the Jewish agriculturists in Palestine. There you have in Palestine this rather unique situation where former swamps have been turned into beautiful orange groves producing some of the finest oranges you could get anywhere in the world.

Mr. LEGER: May I ask a question? What kind of produce are they growing, just oranges?

Mr. HEAPS: I will come to that in a moment. Where there were swamps now you have orange groves and dairy farms. On the hills which were so bare and barren you have eucalyptus trees planted by the hundreds of acres. Where you had sand dunes before you now have flourishing cities. To say that has hurt the Arab population of the east is something that I cannot understand. I cannot understand how anyone could ever say that could have hurt the people who originally lived there, because if you want to know what that means you have but to stand on the west bank of the river Jordan and face east towards Transjordan. When you look at Transjordan, a country that is larger in square miles than Palestine is to-day, you see a barren wilderness with people living there as nomads. Then you turn around and face west and you see a country that in the space of 40 years or less has grown into a modern small country, and those with whom I have discussed it believe it is still capable of absorbing great numbers of people.

One very great problem was the problem of milk supply in the country. Children had to be fed on canned milk imported from other countries. The agricultural scientists they had at the university in Jerusalem spent five years in experimenting with cows. Finally they were able by cross breeding to produce a cow that could stand the Palestinian climate. To-day the children of Palestine, whether they are Arabs or Jews, are able to obtain milk from the cows and have a fresh supply of milk as they need it, and in fairly good proportion.

Mr. JACKMAN: What is the climate like?

Mr. HEAPS: It depends. When you get into the hills you have a climate something like that out at the coast.

Mr. WINKLER: Have they not got a good deal of goat milk also?

Mr. HEAPS: Yes, they have developed quite a goat industry, too, because the goats are able to graze on the mountain sides there. I went from Jerusalem down to the Dead Sea to see the potash works which are located there. You go down a distance of approximately 40 miles from Jerusalem. Jerusalem is about 28,000 feet above sea level and when you get down to the Dead Sea you are 1,400 feet below sea level.

Mr. KNOWLES: You said 28,000.

Mr. HEAPS: It is 2,800. That was a little slip of the tongue. The Dead Sea is 1,400 feet below sea level. There is a tremendous difference in the climate between Jerusalem and the Dead Sea. When I was at Jerusalem it was quite cool and I took an overcoat with me but when I got down to the Dead Sea

I found I had to take my coat off and I would have taken anything else off if I could have.

Mr. JACKMAN: Does it get tropical in any part?

Mr. HEAPS: Yes, it gets tropical in these level parts of the country. Of course, that is one of the reasons why they are able to grow all this produce there. I would not say that it is exactly completely tropical, but semi-tropical.

Mr. KNOWLES: Something like California?

Mr. HEAPS: Yes, very much like California. I could go on a little about my personal experiences there, but I know the limitations that are imposed upon the committee by parliamentary rules and procedure. There is one thing I do not think ought to be lost sight of by this committee in your deliberations. I know you will not report, but a certain amount of publicity has been given to your deliberations and no doubt will be given, as I understand, this morning. We are faced with a great humanitarian question. When you are faced with a humanitarian question, as we are at the present time, it transcends even the nationalism of one particular race or one particular creed or one particular nation. We cannot altogether escape responsibility for what is taking place in other parts of the world. When a hurt is done to one it is a hurt that is done to another. For instance, when fever breaks out in any one part of the world you have a quarantine right away in this country against the plague that may develop here if it is not checked and taken care of in time. When you have this great humanitarian problem with which you are faced in Europe I think it is a good thing for a committee of parliament to consider it so that you may become fully acquainted with the problem even if you cannot report on it. Seventy per cent of the Jewish population in Europe has been wiped out. A good proportion of the other 25 per cent to-day are living in concentration camps. They are living under hardships and do not know what is going to happen to-morrow.

As has been pointed out if 100,000 Jews were moved to Palestine it would to a certain extent ease the problem in Europe and I would say that it would create no hardship for the Arab. If you had 100,000 Jews enter Palestine and had to develop the country further you would find in a very short period there would be 100,000 additional land holdings in the country. I can see that it is about 10 minutes to 1. I know that when you have sat here for two and a half hours, as I have often sat in this room under the same circumstances, you are all anxious to rise and call it a morning. All I can say is I want to thank the members of this committee for giving me their attention this morning.

Mr. LEGER: Do you not think that our Canadian embassy in England is taking up the matter very seriously with Great Britain already?

Mr. HEAPS: I hope so, and very sympathetically.

Mr. LEGER: Do you not think that the mentality of our Canadian people would lead us to believe that?

Mr. HEAPS: What is going on in the state department is usually a state secret, but I have the impression that there will be something done.

Mr. LEGER: I believe that these matters are contentious and that we must proceed in the most delicate manner. I think that is the attitude to-day.

Mr. HEAPS: I am not suggesting that you take any action here at all. I said I knew the limitations that were imposed on your committee here. I know that you can only go a certain length. It was not even referred to you by the House of Commons. It may be that you went a little beyond your jurisdiction in having what you might call this open forum here to discuss the question, but I appreciate it that you have done what you did.

Mr. LEGER: Would you agree that the committee is more or less sympathetic on the question?

Mr. HEAPS: I think that generally speaking I would say yes, and I would say that even goes for Mr. Jaques.

Mr. JAKES: I think I made my stand clear. My purpose here is purely and simply to elicit information.

The CHAIRMAN: Mr. Heaps, in listening to you it came logically to my mind the good fortune we have had in listening to you. Although we may have differed with your policies we have never doubted your sincerity. The members of our committee appreciate your contribution to this wonderful debate and presentation.

Mr. JAKES: What about to-morrow?

The CHAIRMAN: To-morrow we begin to sit in the morning in the House.

Mr. KNOWLES: It has not passed the House yet.

The CHAIRMAN: No, but we hope we do. We intend to have the Arabic organization come before us on Friday of this week at 10.30. I know it will be hard to have a meeting at that time but we will do the best we can. If you will leave it to the chairman I will do what I can taking the circumstances into consideration. As to our report due to the fact I have asked the members to present their reaction as to making a final report we will not have a meeting of the steering committee this week but we will have a general discussion of the report early next week if that is satisfactory to the members. I want to thank the witnesses for being here this morning.

The committee adjourned at 12.55 p.m. to meet again on Friday, July 26, 1946, at 10.30 o'clock a.m.

Canada External Affairs, Montreal
— Cttee on, 1946

(SESSION 1946)

(HOUSE OF COMMONS)

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(STANDING COMMITTEE)

(ON)

(EXTERNAL AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

FRIDAY, JULY 26, 1946

WITNESSES:

- Dr. George Kheirallah, Publisher *The Arab World*, New York.
- Mr. K. Hulusy Khairy, Director of the Arab Office, Washington, D.C.
- Mr. M. S. Massoud, President Canadian-Arab Friendship League, Montreal.
- Mr. E. Karam, Secretary Canadian-Arab Friendship League, Ottawa.

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CONTROLLER OF STATIONERY
1946

MINUTES OF PROCEEDINGS

FRIDAY, July 26, 1946.

The Standing Committee on External Affairs met at 11.30 o'clock a.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Bradette, Cote (*Matapedia-Matane*), Graydon, Jackman, Jaenicke, Jaques, Kidd, Leger, Low, Mutch, Tremblay and Winkler.

In attendance: Dr. Geo. Kheirallah, Publisher *The Arab World*, New York City, N.Y. Mr. K. Hulusy Khairy, Director of the Arab Office, Washington, D.C. Mr. M. S. Massoud, President Canadian-Arab Friendship League, Montreal. Mr. E. Karam, Secretary, Canadian-Arab Friendship League, Ottawa.

The Chairman asked the Clerk to read three questions which had been asked Mr. Mowat by Mr. Winkler after the last meeting and the answers thereto by Mr. Mowat. The Committee agreed to have them printed as an appendix to this day's report. (See appendix "A").

The Committee resumed the hearing of representations on the Palestine situation, the case of the Arabs being presented to-day.

Dr. Kheirallah opened the Arab submission with an address outlining the historical background of the Arab Race.

Messrs. Massoud and Khairy read lengthy briefs.

It was decided on the motion of Mr. Leger that the Committee meet again this day, to examine witnesses.

At 1.10 p.m. the Committee adjourned to meet again at 3.30 p.m. this day.

FRIDAY, July 26, 1946.

The Standing Committee on External Affairs met at 3.30 o'clock p.m. The Chairman, Mr. Bradette, presided.

Members present: Messrs. Boucher, Bradette, Cote (*Matapedia-Matane*), Graydon, Jackman, Jaenicke, Jaques, Leger, Low, Tremblay and Winkler.

In attendance: The same Arab representatives as at morning meeting and Rabbi Jesse Schwartz, Executive Director Zionist Organization of Canada.

The Committee resumed consideration of the Palestine situation.

Messrs. Kheirallah and Khairy were recalled, examined and retired.

Rabbi Schwartz clarified some statements which had been given in the Zionist case presented earlier.

The Chairman stated that at the next meeting the Committee would consider its report.

The Committee on the motion of Mr. Winkler adjourned at 5.45 p.m. to meet at 11.30 o'clock a.m. Tuesday, July 30, 1946.

F. J. Corcoran,
Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 26, 1946.

The Standing Committee on External Affairs met this day at 11.30 o'clock a.m. The Chairman, Mr. J. A. Bradette presided.

The CHAIRMAN: I now call the meeting to order. We know that the people who appeared before us at our previous meetings representing the Zionist movement and the people who are here today representing the Arab movement will appreciate the fact, despite the number of committees and the amount of parliamentary business which is proceeding at the present time, we are able to have a quorum here this morning. Personally I want to thank the members for coming here this morning to attend this meeting which I regard and which I am sure you regard as very important.

Before we proceed with hearing the representations may I say that Mr. Winkler asked some questions of Mr. Mowat, and with your permission I will have the clerk of the committee read the questions and answers and then they can be placed on the record.

(Questions and answers appear as Appendix A to this report.)

Now, we have asked to come before us this morning people representing the Arab viewpoint on the Palestine question, and after this meeting is over we will have had the opportunity of listening to the representatives of two great and noble races with a fine historical past. I know that these gentlemen will realize how serious their representation is and I believe the same line of conduct will be followed in regard to the utterances of these gentlemen, because we are dealing with international problems. Canada is interested in these problems and hopes to play some part in their solution, but we all realize what Great Britain is doing at the present time in conjunction with some other great powers of the world.

We have with us this morning Mr. K. Hulusy Khairy, Director of the Arab Office, Washington, D.C., Mr. M. S. Massoud, President of the Canadian-Arab Friendship League, and we have also with us Dr. George Kheirallah and Mr. Elias Karam, who is the secretary. We will follow the same procedure as in the previous meeting. The speakers will present their case and it will be left to the members of the committee to decide whether they will be interrogated immediately afterwards or after all the briefs have been presented. I shall now ask Mr. Massoud to come to the front.

MR. MASSOUD: Mr. Chairman and honourable members of the committee, to begin with I would like to introduce Dr. George Kheirallah, who is the publisher of the *Arab World Magazine* of New York, who will give us the basis of the historical relationship of the Arabs and Jews as he is an authority on history and literature as well.

Dr. George Kheirallah, Publisher of the *Arab World Magazine*, New York, called:

DR. KHEIRALLAH: Mr. Chairman and honourable gentlemen, mine is a brief and pleasant task, pleasant because it recalls better times and better memories. I shall watch the clock and not exceed my time.

The Arabian Peninsula is not the southwest corner of Asia; geologically speaking, it is the northeast portion of Africa. This peninsula was guarded on the north by the Taurus mountains. All around the west and south of it, it is surrounded by water; on the east the Persian Gulf and beyond that we had the marshes, and the Asiatic side protected by the steep Zugros mountains. Therefore, that spot was isolated in the early existence of man and its isolation protected that certain family at large living there. These tribes led the life of the reindeer man, going north in the summer to the pastures and coming south in the winter with their flocks. However, that is going back into the past, thousands of years. The country is mostly desert with the habitable tract along the water courses. Therefore settlements were established in Iraq, which is Mesopotamia, in Palestine, Syria and in southern Arabia called Arabia Felix. The rest of it was called Arabia Deserta, because it is a desert. It is a seething cauldron for any man to live in. But in spite of this there are settlements there. People of the desert have constantly infiltrated and rejuvenated habitable parts of the country. I am not going to dwell on its history. Possibly man was well distributed all over the world, but that is the place where man first took the first step in communal living. We find him in early Akkadian times, 3,000 years B.C., then came the days of the great Assyrian empire and then the second Babylonian empire. Down in the southern part we had the Maa'in civilization of the Arabs.

All those people spoke the same language but with a different dialect, because distances then were long and each tribe developed its own dialect: Hebrew is one, Aramean is another, and the Arabic spoken to-day is a dialect of the tribe of Quraish and all these and others belonged to the same family which we call the Semitic family. At one time, somewhere around 1200 B.C., some migration started out of the desert. These were hungry men who wanted better pastures and who looked with greedy eyes possibly on their brothers who were doing better than they were. That is the coming of the tribes, the Israelitic tribes. They were governed by their chiefs; in the Bible they are called judges. Then followed the days of Saul and of David and then the glorious days of Solomon. Solomon was a vassal and paid his tribute to Egypt. The kingdom did not exceed twelve miles in all directions. The part they inhabited was not the fertile plains which were then occupied by the Canaanites and the Phoenicians, but rather the barren hills of Judea. That was 945 B.C. The kingdom of Solomon grew and then disintegrated, but you have followed the course of it. However, these people had not had the benefits of culture or civilization of any kind; they were people whose most precious possession was the Ark of the Covenant and the Tablets of the Law kept until then in a tent. They did not have either architecture or builders, so when they built the temple, they had to call on Hiram the Phœnician to build it for them. Things went along until 722 B.C. when Sargon II, King of Assyria invaded the Arameans of Syria and fought with these cousins of ours, our own people, dwellers of the land. For two years he besieged Damascus, and when it fell there was no resistance left to oppose him. He marched south and carried off the ten tribes. That was the last that was heard of them in spite of the fact that Englishmen and Scotsmen sometimes say that some of them may have come to England. Maybe they did. That was the end of them. They left the tribe of Judah and Benjamin until one hundred and thirty-five years later when Nebuchadnezzar came down and swept them into exile. That is the extent of Jewish civilization.

Now, in 500 and some years B.C. when the Persians conquered Babylon and the remaining Jews were set free they came back as cultured scholars because they had been prisoners in the most enlightened medium of the old world. Babylon then was the greatest centre of learning. They left us great libraries as witnesses. They have one library in the British museum which was found almost intact with 20,000 written tablets. They were competent and good men.

Ezra and his confreres wrote the Old Testament as it has come to us. They borrowed traditions here and there, some of which are perfectly good history because they came back from an enlightened country where they had learned much. After that their existence becomes more precarious until the days of the Romans, and you know what happened then.

Now, in 636 a man by the name of Mohammed arose among the Arabs and promulgated his faith, good or bad, just as you care to look at it; but he united the Arabs. By that I mean that he united the warring tribes, and they came out of the desert to liberate their brother Arabs who were in Syria ruled by the Byzantines. As they moved along this was the admonition which the Caliph, Abu-Bakr delivered to his soldiers:—Betray not, nor take anyone unaware, practise no excesses, nor retaliate in kind, kill not an old man, woman or child, destroy not a planted field, cut not a palm tree, kill not a goat or camel or sheep excepting for food! That was the chivalry that the Arabs introduced into the world and which gave them in a short time a greater empire than that possessed by Rome. They swept aside the Persian empire as well as the Byzantine empire.

Now, when they came into the Holy Land, the Jewish people, who were kinsmen, had reached the lowest state of debasement in all their history. What did the Arab do? They took the Jews under their protection; opened all the avenues for them everywhere in the world; there were no restrictions and no discriminations. The schools were open to them, and as a result there arose what is called sometimes the Golden Age of Jewry, and that age was the product of the Arabian schools. They held in turn high positions like that held by Hasdi, who became the prime minister of the Western Khalifah.

Al Hasdi was a product of the Arabian schools, likewise was the great Maimonides who studied in Cordova and came to Morocco from 1160 to 1165 and studied at the University of Fez. Later he went into the service of the Children of Saladin and when the British were at Askalon in southern Palestine and begged him to go with them he stayed with his people. He wrote only one book for the Jews and that is the "Guide to the Perplexed" which was written in Arabic. It was translated by Ibn Tibon into Hebrew.

The Hasdi revived the Hebrew language which had fallen into disuse. The Talmud was written in Hebrew, but the Gemara was written in Aramaic. When Jesus spoke, he spoke not a word of Hebrew, he spoke in the Aramaic language or the Aramaic dialect. Why? Because the Hebrew tongue had fallen into disuse. Therefore, this man Hasdi revived the Hebrew language, and that was the first revival of the Hebrew dialect.

Bahya ibn Pacudah, the man who wrote the fine ethics of the Jew, wrote in Arabic. Judah Ha Levi, Ben Gabriol, Ben Ezras, Ben Yusuf, Ben Labrat and others all wrote in Arabic—products of the Arabian schools. I can go on and name many others in the Golden Age of Jewry. They were all scholars of Arabian schools and they prospered.

Then came the time when the Arabs left Spain. That was the time the Jews commenced to feel persecution and hardship. They scattered and many of them came back to North Africa and to Syria, to Turkey and to Salonica. The Arabs and Moslems took them into their homes. Those were the Arabian Jews; the rest were scattered.

Now, after that the Jew remained persona grata in the Arab countries, and this was recognized by the United States government in 1812. President Madison and Secretary of State Monroe, when they had difficulty with the Barbary Coast, picked a Jew from Charleston, South Carolina, and sent him over there from 1812 to 1815 where he collaborated with Commodore Decatur and helped straighten out that matter for the American government. Jews were welcomed in Moslem countries. Thus the U.S.A. delegated as ambassadors to Turkey men like Straus, Morgenthau, Elkus and Steinhard.

Why was this done? Because the world recognized that the Jew was always welcome among the Moslems. That is why the entente lasted 1400 years. Mordecai Noeh, President Madison's envoy, wrote a book on the condition of the Jew and told how Hamouda in Tunis called over the American minister and had him kiss the Jew whom he had slapped in the customs house, and made him make up with him.

Then there was the entry of France into Algeria. That was in 1830, and came about when the pascha there, slapped the French representative with a fan because France had refused to pay two Jews whose ships of grain were sent to France.

The entente was well known. All the Arab Moslem countries received Jews. In Egypt today they are vociferous against Zionism. So are they in Iraq, Syria and Lebanon.

The Jewish merchants from Stamboul went into the Tartary country, the Caspian district and Judaized the Kharzar Tartars. The result is that when you see thousands and thousands of Polish, Russian and Rumanian Jews they have neither the Semitic wisdom or the blood. They are Tartars, and the Arabs to-day are constantly confronted with this invasion—the second Tartar invasion!

Well, gentlemen, this is the case as far as the Arabs are concerned. We were stunned in the beginning and could not realize this condition. We were shocked, we became angry and were resentful. The people we had befriended for 1,400 years did not come to us in a friendly spirit as they used to; they came and said to us: "This is our land." These are Tartars from Tartary coming into a Semitic country because they followed a Semitic religion, and the Arabs have not taken kindly to it.

The campaign in America has been one of vilification. The say: What did the Arabs do? They never did anything! I walked this morning through the hall of this building and I saw the crystal gothic arches which are the product of the Arabian horseshoe arch, the cusped arch and the intersecting arches, products of Arabian architecture. I am not going into that phase of it; I am not going to show what the Arabs have produced and can do again. Apart from the alphabet the Arab has produced a distinct civilization, a distinct pattern of living.

Gentlemen, the Arabs object to having their seaboard taken over. It is not an honourable intention. These people have adopted the refugee question and have put it forward as a smoke-screen for political purposes.

Now, before I leave this matter to my confreres may I just say one word to you gentlemen about Canada. You have the most glorious country in the world. I am not saying that because I am here, because I have repeated it many times from the rostrum. You have the richest country in material resources, and this country will some day, have 200,000,000 people and will support them too. But you have something better: you have the liberal spirit of the French pioneer; you have the sturdy Scotch sense, the canny sense and discrimination of the Scotsman. If you support the Zionist movement just to force upon us anything like 100,000 of these people which is a trick to increase the already overflowing population of the country, what will you do? You would lay yourself open to ridicule by the historians of your own people. Your country will take in 200,000,000 people and you want to force upon us an additional 100,000 which we are unwilling to receive. It would not be fair to your Scotch sense or to your French sense of justice to do that.

Now, I do not mean that you should bring them here; it is the farthest thing from my thought to make out of your country a bed of red roses to all comers.

The CHAIRMAN: Perhaps you might have mentioned the Irish and the English.

Dr. KHEIRALLAH: Before making my apologies to the Irish and the English, let me say that I have been very fortunate to have a better-half in my household who is Irish.

The CHAIRMAN: I will now call on the next speaker.

Mr. M. S. Massoud, President of the Canadian-Arab Friendship League, called.

Mr. MASSOUD: Gentlemen, permit me to convey to you some of the views held on the problem of Palestine by Canadians of Arab descent, in particular by the members of the Canadian Arab Friendship League, whom I have the honour to represent.

First of all, may I state that the well-timed and aggressively advanced agitation for the creation of an independent Jewish state in Palestine has been as diligently pursued by the Zionists in Canada as in the United States, and has been the subject of controversy in the press and among members of the Canadian parliament. The majority of Canadians view this whole problem seriously, for tragic mistakes made by diplomats have often resulted in bloodshed and deep suffering. We have had too much of that.

The Palestine issue has reached proportions and has brought consequences for many nations which make it imperative for all right-thinking people to examine the facts underlying the present murder and cold-blooded killing of innocent people and British soldiers stationed in the Holy Land to do their duty.

The recent bombing of the King David Hotel in Jerusalem, the killing of Lord Moyne and of hundreds of other innocent people during the past few years have certainly provided proof that Zionist terrorists, extremists and whatever you may call them had the approval of their leaders, and we may safely say of the leaders of the Jewish Agency. The British Government must be in possession of authentic evidence, otherwise it would never have taken the steps announced during the past few days, including the arrest of Bernard Joseph, a Montrealer, who served as vice-president of the Jewish Agency and who is known to Canadians as their ace propagandist. He and others like him have tried in vain to condition this continent for Zionist falsehood. There were many who at one time believed them; to-day, people of the western hemisphere through the daily press are getting a better picture of Zionist intrigues. Since the now famous General Morgan incident—which led to the resignation of Governor Lehman as head of the UNRRA—people everywhere have begun to doubt those glowing statements by Zionists about Jewish aspirations to Palestine. To-day we know that Zionists are following a definite plan, not to remove the misery of European Jews in general, but to establish their own political power over the Arabs.

The people who protested against being uprooted in other places should never propose the uprooting of the Arabs from their own soil. The people who prayed for justice should not attempt to get even with the inhabitants of Europe, who committed the injustice against them, by inflicting in turn injustice on the Arab.

The words of the Balfour declaration to the Zionists have become an issue. The Zionists asked for the following wording: "The reconstruction of Palestine as a national home of the Jewish people." This was refused. Instead, the Balfour declaration read: "The establishment in Palestine of a national home for the Jewish people."

In its first official statement before receiving the mandate, the English Government in 1922, while Churchill was minister of colonies, answered the Zionists' request for a change of wording, as follows:—

We draw attention to the fact that the terms of the declaration do not contemplate that Palestine as a whole should be converted into a Jewish national home but that such a home should be founded in Palestine . . . What is meant is not an imposition of a Jewish nationality upon the inhabitants of Palestine as a whole.

Gentlemen of the committee, the Arabs do not come to you with an Arab problem, but hold that it is unbecoming to bring pressure on war-weary England to do an injustice to an ally, and to go against the interests of the commonwealth.

Acting on the experience of 25 years and the findings of thirteen royal commissions, England in 1939 corrected, in a measure, a mistake and issued a specific document, more specific by far than the vague Balfour letter to Baron Rothschild. This correction is unmistakable and clear.

His majesty's government therefore now declares unequivocally that it is not part of their policy that Palestine should become a Jewish state. They would indeed regard it as contrary to their obligation to the Arabs under the Mandate, as well as to the assurances which have been given to the Arab people in the past, that the Arab population of Palestine should be made the subject of a Jewish State against their will.

Are these unmistakable clearcut pledges to be ignored because the Zionists claim political influence in the United States?

To the English speaking peoples we say, let not a compact, determined political pressure group misguide you in order to coerce a sorely tried England who wants to put her house in order.

The issue of the political Zionists and their objectives are the establishment of a religious state in Palestine, regardless of the natural rights of the people who have inhabited that country twice as long as the English have inhabited England. But I beg to draw your sober attention to the fact that the real issue is being deliberately confused, and the European refugee and his plight—a horse of a different colour, is cleverly used to befog the true purpose and to gain the sympathy of the unwary.

The Arabs make a clear distinction between the Jew who is a follower of the Hebraic faith, and the political Zionist who aims to establish a kingdom or republic on charity (deducted from American, Canadian and English taxes), to arm and equip it at the expense of world Jewry, and to extend it from the Nile to the Euphrates as Hertzl advocated. The reason put forth for this chauvinistic scheme is the desire to accredit representatives and agents to the various countries that they may keep their finger on the pulse of nations, in order to safeguard the interests of Jewry. While this may sound fantastic, we have noted their manipulation in politics where they have been able to use pressure on most candidates and parties. They have committed a sin against American and Canadian Jewry by dragging and injecting the Jew and his affairs into the national conventions of some political parties into the halls of Congress and parliament, and have made Zionism and its endorsement a primary consideration in elections. They have also planted anti-Jewish sentiment in Asia and Africa when none existed before.

The so-called Jewish problem will be solved when the process of integration has been enhanced, when the Jews consider themselves and are considered by others as people different only in their devotion to their religion.

Instead of making Palestine as Jewish as England is English, according to Dr. Weizman, make the Jew in England, English; in America, American, and in Canada, Canadian. Wherever the concept of a separate race or nationality status has prevailed, this process is stultified. The average Jew and the average Arab want peace and happiness; ambitious leaders have deceived the Jew on the Palestine issue and are today creating confusion among English speaking people.

Palestine, the land of the Philistines has an area of 10,000 square miles, two-thirds of which is not fit for cultivation. It has at present 700,000 Jews and 1,200,000 Arabs. The death rate is 24 per thousand; and the birth rate is 52 per thousand; without the addition of a single immigrant, the country will double its population within the next thirty years.

In addressing you as democrats, we ask you to recognize that the land belongs to those who inhabit it. Elementary political sense and democratic feeling must recognize that no people will submit to being a minority in their own home land. Do you propose to force Arabs to accept immigration against their will until they are in a minority in their own land? Do you wish to uproot the Arabs by British or Canadian arms? The intent of the Zionists has come into the open. It is not a humanitarian project but a political scheme. Why the hundred thousand? There are three million Jews in Europe. Why be callous about the rest? The scheme involved is a step towards the Zionists' objectives of establishing a majority. With due respect I wish that this august body who is obliged to look for the welfare of a mere fraction of the millions of humans who are suffering misery to include the other forty millions of non-Jewish children of God who are in pitiful plight.

Listening to American politicians, we are astounded that Canadians who stand for the right and protection of minorities, should disregard the rights of the majority, that taxation and immigration be forced on a voiceless peasantry who have been brought up to believe in democratic fairness.

Gentlemen, in conclusion I should like to draw your attention to some of the outstanding arguments advanced by Zionists before this committee last week.

They spoke of the Zionist or Jewish war effort. By implication, they belittled the tremendous assistance and sacrifices during the last war on the part of the Arabs.

For your information, I wish to state that a great number of the 25,000 Jewish volunteers mentioned by the Zionists were women or non-combatants. Their casualties were nearly nil. The Arabs on the other hand, have suffered 16,500 casualties at the battle of Tunisia alone. Three thousand were left dead on the field of that one battle. The United States equipped and armed 350,000 North African Arabs who broke the Marath Line in Italy and fought gallantly throughout the war. Their estimated casualties were one hundred and thirty some thousand men. Jewish and Zionists in particular have forgotten that 1,500,000 Moslems were serving in allied armies and fighting for the British Empire. Zionists, of course, would not mention that the number of Indian Moslems serving in the British Merchant Marine during the last war was greater than the total number of Jewish volunteers mentioned by them.

If the speaker for Zionists who appeared before the committee last week believes that his assumption regarding the Zionist percentage amongst Jews is correct, I should like to ask you, gentlemen, whether it would not be fair to hold the Jewish people as a whole responsible for the acts of terrorism and for the flood of propaganda lies, now sweeping through Palestine and I might say a large part of the world. I, personally do not believe that 95 per cent of the Jewish people are in favour of a Jewish state in Palestine at the expense of open warfare with Britain and the Arab nations.

Zionist claims that Jewish immigration into Palestine had brought important benefits to Arabs are another fabrication of falsehood. How can Jewish people, liberated by Allied soldiers from the filth of their European ghettos bring wealth, sanitation, or culture to Arabs? Some of these poor people who entered Palestine illegally in the hope of finding the promised haven in the Jewish Agency buildings in Jerusalem and Haifa are already preparing to return to Austria, Czechoslovakia, and other European countries because Zionist hospitality and claims in regard to Palestine do not appeal to them. They believed in their propaganda and have ended in despair.

May our presentation of these facts about Palestine clarify some of the confusing statements made by the Zionist Committee and recently repeated by some Canadians, including members of parliament in their appeal to their Jewish voters. I thank you.

The CHAIRMAN: Now I will call on Mr. Khairy.

Mr. K. Hulusy Khairy, Director of the Arab Office, Washington, D.C., called.

Mr. KHAIRY: Mr. Chairman, I suppose you would like to know who I am and where I come from. I come from Palestine. I was born there and educated in the American University of Beirut, and I studied for three years in London University. And I am now working as Director of the Arab Office in Washington. I am not speaking on behalf of the Arab Office in Washington or any other organization. What opinions I express here should not reflect on the views of Arabs on this problem.

Gentlemen although this is my first visit to your beautiful country I happen to know something of the history of its people, of their struggle for freedom and, lately, of their great contributions in men and material for the liberation of small nations. For this reason I feel confident that you as their representatives will also appreciate the sacrifices and efforts exercised for the achievement of the same noble aims by all peoples in any land.

Among the people who have taken up the fight for liberty during the last century are the Arabs; more particularly, those of them who live in the Near East. For the last 75 years they have been engaged in the tremendous task of liberating their countries from the foreign influences which have dominated them for almost 400 years. This struggle took a more active shape in the revolt led by King Hussein against the Ottoman empire and on the side of the allies during the first world war. The participation of the Arabs in that war was in return for a definite pledge guaranteeing the liberty and independence of all the territories within the Turkish empire inhabited by Arabs. The story of the Arabs of Palestine is part and parcel of this struggle and it is precisely for this reason that the political sentiments of the Arabs of Palestine are generally shared, not only by the governments of the neighbouring Arab states, but by the inhabitants of those countries as well. These countries have pledged themselves to support the Palestine Arab to the extent that may be required in order to protect the integrity of that country and secure the independence of its people.

Until 1917 Palestine in its present form never existed as a separate political entity. Until that time it formed part and parcel of Syria. Its population and then amounting to some 750,000 were 90 per cent Arab, 9 per cent Jew and 1 per cent foreign nationals. This carving out of Palestine was carried out against the expressed will of the inhabitants of both present day Syria and Palestine and against the explicit British pledges and implicit international guarantees.

The Arabs of Palestine are descendents of the indigenous inhabitants of that territory who have been in occupancy of it since the beginning of history. They feel and believe that Palestine is their country in the same sense and for the same reasons that England is English, France is French, and Canada is Canadian. They cannot agree that it is right to subject this indigenous population against its will to alien immigrants whose claim is based upon historical connection which ceased effectively many centuries ago. Forming the majority of the population they are also opposed to any policy of immigration which would ultimately lead to reducing them into a minority in an alien state. Further, they claim the democratic right of a majority to make its own decisions in matters of important national concern.

This natural right of the Arabs of Palestine to live in it in full freedom, to remain in undisturbed possession of it, to develop it in harmony with their

traditions and ideas, and to exercise in it all the privileges and responsibilities that are enjoyed by all the majorities in the world, was further recognized and confirmed explicitly by Great Britain and her allies in the various undertakings and statements made during the first world war and implicitly by the principles which underlay the aims of the allies during the first world war and the United Nations during the second world war. Thus any support given by any government to the Zionists is not only contradictory to the rights of the Arabs, but is also a clear violation of solemn international obligations.

Nor was this right ever disputed by any one or any counter-claim ever contemplated against it by any nation: not even by the Jews whose right to raise such a claim as a nation is highly questionable. For they belong to many nations and owe their loyalty and allegiance to the many countries where they live and where they earn their livelihood. It must also be remembered that Jews cannot claim Palestine as their national home and at the same time demand the right for equal treatment. Such, if granted, would amount to a privilege incompatible treatment. Such, if granted, would amount to a privilege incompatible with the principle of equal rights. It is further maintained that not until lately have Zionist leaders made public their intentions of reconstituting Palestine as a Jewish state. In 1931 Dr. Weizmann, in an address to the Zionist Organization of which he is president, said:—

The Arabs must be made to feel by deed as well as by word that whatever the future numerical relations of the two nations in Palestine, we on our part contemplate no political domination.

In introducing the history of Zionism, written during 1918, Mr. Sokolov, at that time president of the Zionist organization, wrote:—

It has been said, and is still being obstinately repeated by anti-Zionists again and again, that Zionism aims at the creation of an independent Jewish state, but this is wholly fallacious. The Jewish state was never a part of the Zionist program.

Nor was such a claim ever sanctioned or approved by any nation or a group of nations. The Balfour Declaration which is often quoted by the Zionists to support their claim for reconstituting Palestine as a Jewish state should be carefully examined. The authors of this document, which was issued in the form of a letter dated November 2, 1917, and addressed to Lord Rothchild and signed by Mr. Balfour, at that time Foreign Secretary, never contemplated such an ambitious scheme. This is how that letter reads:—

I have much pleasure in conveying to you on behalf of His Majesty's Government the following declaration of sympathy with the Jewish Zionist aspirations, which has been submitted to and approved by the Cabinet. "His Majesty's Government view with favour the establishment in Palestine of a National Home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing should be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country." I should be grateful if you would bring this declaration to knowledge of the Zionist Federation.

It should be observed that the declaration was made by a group of persons with no international status and responsibilities through an Englishman. In fact, they were members of different nations.

Observe, also, that the letter contains no description of the "Jewish Zionist aspirations" with which His Majesty's Government was in sympathy, nor any definition of the term "a National Home for the Jewish people". Observe,

too, that there was no reference to the political rights in the clause safeguarding other rights of the existing population. The description of the Arabs, at that time constituting some 90 per cent of the total population of Palestine, as an "existing non-Jewish community in Palestine", is contemptuous and insulting. The last sentence of the letter is humourously superfluous, unless used as a smoke screen, as it subsequently became known that the Zionists themselves took the major share in drafting the document. As a whole the Declaration must indeed be unique as a State paper in obscurity of its phrasing, its gratuitous insulting reference to a people who at the time were the allies of Great Britain, and its careful concealment of the ultimate object to which His Majesty's Government hoped to attain.

However, five years after the issue of the Balfour Declaration the British Government realized the necessity of removing these obscurities in order to put an end to the wild interpretations that were being put to it by the Zionists. With this object in view the command paper of 1922 was issued. It contained a clear picture of the intentions of His Majesty's Government and a rather detailed definition of the term "a National Home". This is how it reads:—

Unauthorized statements have been made to the effect that the purpose in view is to create a wholly Jewish Palestine. Phrases have been used such as that Palestine is to become "as Jewish as England is English". His Majesty's Government regard any such expectation as impracticable and have no such aim in view. Nor have they at any time contemplated the disappearance or the subordination of the Arab population, language or culture in Palestine. They would draw attention to the fact that the terms of the Balfour Declaration referred to do not contemplate that Palestine as a whole should be converted into a Jewish National Home, but that such a home should be founded in Palestine.

The nature of the National Home in Palestine was further described in a detailed form in the same official statement, as follows:—

During the last two or three generations the Jews have recreated in Palestine a community now numbering 80,000, of whom about one-fourth are farmers or workers on the land. This community has its own political organs; an elected assembly for the direction of its domestic concern; elected councils in the towns and an organization for the control of its schools. It has its elected Chief Rabinnet and Rabbinical Council for its religious affairs. Its business is conducted in Hebrew as a vernacular language and a Hebrew press serves its need. It has its distinguished intellectual life and displays considerable economic activity. This community then, with its towns and country population, its political, religious and social organizations, its own language, its own customs, its own life, has, in fact, national characteristics.

When it is asked what is meant by the development of the Jewish National Home in Palestine, it may be answered that it is not the imposition of a Jewish nationality upon the inhabitants of Palestine on the whole, but the further development of the existing Jewish community, with the assistance of Jews in other parts of the world in order that it may become a centre in which the Jewish people as a whole may take on the grounds of religion and race, with interest and pride.

Since then, gentlemen, this community of 80,000 has increased into a community of something like 600,000 and their holdings in Palestine have multiplied enormously, and in the same white paper of 1939 the British government declared in unmistakable terms that as far as this obligation toward the Jewish national home in Palestine is concerned they regarded that as having been fully discharged:

Even after this interpretation of the Balfour Declaration the Arabs continued to denounce it. They have never recognized, and will never recognize, either the Declaration or the Mandate which embodies it. The first contained a promise which Great Britain was not entitled to make without Arab consent, and which in any case was invalid since it conflicted with a previous and binding British pledge. The second is an illegal document. The terms of the Mandate, which could only have derived their sanction from the Covenant of the League of Nations, are in conflict with the letter and spirit of the relevant article, namely, Article 22 of the Covenant which reads:—

Certain communities formerly belonging to the Turkish Empire have reached a state of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of a mandatory.

The Arabs also continued their opposition to the policy initiated in Palestine on the basis of the Balfour Declaration and the provisions of the Mandate, which opposition manifested itself soon after the issue of that declaration in 1917. Until then the Arabs had always lived in peace and on friendly terms with the Jews who were in Palestine from devotional motives. It was only after the issue of the Balfour Declaration, when the Zionist-Jews began to exhibit political pretensions and revealed their real intentions that Arab fears and opposition were aroused.

Nor were these fears of the Arabs groundless—the policy pursued by Great Britain in Palestine since 1918 has shown that these fears were fully justified. The Arabs have been denied their independence which had been promised to them in the British Government's pledges of the 24th of October 1915, and confirmed in several subsequent pledges in return for their share in the allied victory. A Mandate was imposed upon them of which the terms were a flagrant violation, not only of the promises made to them and of their own natural rights, but also of the right to political independence, which was specifically recognized to them in the Covenant of the League of Nations.

An administration was set up in Palestine, which, for the last 25 years, has exercised unfettered power equivalent to an absolute dictatorship in all the domains of government—legislative, executive, and judicial—thereby denying the Arabs of Palestine, who before the war had enjoyed the privileges of parliamentary representation and ministerial responsibility, the most elementary right of self-government.

The terms of this Mandate were the product of close consultation by the British Government and the Zionist Jews, from which the Arabs, whose country was at stake, were deliberately excluded. In virtue of its provisions and in spite of constant Arab protests, the Mandatory power has enacted legislation to enable the Zionist Jews to pour their immigrants into the country and buy up all the lands they could, with the result that in 20 years the ratio of Arabs to Jews has dropped from 10 to 1 in favour of the Arabs in 1919, to 2 to 1. The Zionists have also made land purchases which are estimated at one-third of the cultivable area in Palestine. Furthermore, these purchases were made in the most fertile tracts of cultivable land in the country, and have resulted in the steady deposition of an increasing number of Arab cultivators, who have been driven to seek a make-shift livelihood elsewhere than on the soil which they had been cultivating for centuries. Arab villages have been razed to the ground, their homes and mosques and their cemeteries entirely wiped out, and their names (which in some cases had historical association) officially erased from the map and replaced by the Hebrew names of some of the new Zionist colonies. Moreover, this acquisition

of land by Jews has led to such congestion in the rural districts that the present average holding in Arab hands is, as has been ascertained by many British commissions of inquiry, no longer sufficient to provide the holder with even the bare needs of subsistence.

By 1936 Arab resistance and opposition had assumed serious proportions. For three years the Arabs revolted, with the consequence that there was complete dislocation of the administration and anarchy prevailed throughout the country. The Arabs suffered heavy casualties: they lost 15,000 men in dead alone, to say nothing of the enormous material destruction which this struggle entailed. By 1939 the British Government was faced with a situation which was described in the following passage of the White Paper:—

The alternatives before His Majesty's Government are either, (1) to seek to expand the Jewish National Home indefinitely by immigration against the strongly expressed will of the Arab people of the country, or (2) to permit further expansion of the Jewish National Home by immigration only if the Arabs are prepared to acquiesce in it. The former policy means rule by force. Apart from other considerations, such a policy seems to His Majesty's Government to be contrary to the whole spirit of Article 22 of the Covenant of the League of Nations, as well as to their specific obligations to the Arabs in the Palestine Mandate. Moreover, the relations between the Arabs and Jews in Palestine must be based sooner or later on mutual tolerance and good will; peace, security and progress of the Jewish National Home itself requires this. Therefore, His Majesty's Government, after earnest consideration, and taking into account the extent to which the growth of the Jewish National Home has been facilitated over the last 20 years, have decided that the time has come to adopt in principle, the second of the alternatives referred to above.

That is to say that no immigration to Palestine will take place against the will of the Arabs. In the same white paper of 1939 the British government has declared that her obligations for the establishment of a national home for the Jews has been fully discharged.

Gentlemen, it is beside the point to argue that Jewish immigrants have benefited the Arabs materially. The argument is demonstrably false. When account is taken of all the changes brought into the economic and social structure of the country by the influx of Jewish money and immigration, the result is found to be on balance dangerously detrimental to the material interest of the Arab population. But even if it were true, the argument is beside the point. In the eyes of the Arabs, the issue is not primarily one of material consequence, but first and foremost one of moral and political values.

Here I should like to add that the density of population in Palestine has been estimated lately. The latest census has not been carried out—no census has been carried out for nearly ten years, but we have a department of statistics which has been working on the basis of the census of 1933. According to this the density of the population in Palestine is something like 175 persons per square mile while in America it is something like 42 persons per square mile, and I think in this country it is less—something like 4 per cent.

Mr. GRAYDON: If those figures are correct that would mean 1,750,000?

Mr. KHAIRY: That is right. It is over that. There are now almost 1,800,000.

Mr. GRAYDON: I think someone in the committee said there were 650,000 Jews and 1,250,000 Arabs.

Mr. KHAIRY: I have not got the exact figures because there has been no official census for the last ten years. It is approximately 1,200,000 Arabs and 600,000 Jews.

Mr. GRAYDON: Someone said there were 650,000 Jews.

Mr. KHAIRY:

Is it right that the Arabs, who have been in continuous occupation of Palestine for over 1300 years, and whose life is deep-rooted in its soil and its countryside, should be either forcibly ejected or squeezed in order to enable the Zionist Jews to establish the Jewish National Home in their midst? That is the real issue.

As to the problem of finding a home for the homeless Jew, it is one that concerns the whole of the civilized world. It is generally conceded that Palestine cannot provide a solution of the Jewish problem and in any case the country has already a far larger population than it can support. It is essential for a comprehensive understanding of both the Palestine problem and the Jewish problem that a distinction be drawn between the two issues. Any attempt to treat them as one can only result in confusion and would render both almost insoluble.

Regarding the relief of Jewish distress in Europe, it is now obvious that only by the joint effort of the Western Powers can this problem be solved. The numbers involved are too large to be affected by any quota which the small land of Palestine can accept. Moreover, those who have studied the problem are more and more convinced that the democracies have no moral justification for imposing upon the Arab World a burden which they themselves are not ready to share. In a united effort to afford relief to suffering Jewry the Arab countries have, through their spokesman Azzam Pasha, Secretary-General of the Arab League, expressed their willingness to play their part in the solution of this problem on an international basis. It is essential that the Western Powers, more particularly Great Britain and the United States, must set the example by such relaxation of their present restrictions against Jewish immigration as may be required. This, gentlemen, applies to all the countries who claim to have any real, genuine sympathy with the suffering of European Jewry.

With this Jewish relief problem solved the sympathy of so many honest people which has been so efficiently exploited by the Zionists to camouflage their political ambitions would come to an end. The Palestine problem in its true perspective as essentially and basically one of territorialism and the right of self-determination becomes clear. The solution also becomes obvious, which is to restore to the inhabitants of Palestine the right of self-determination which has been promised to them and which has been guaranteed by political undertakings and by the principles of the United Nations. Thank you, gentlemen.

The CHAIRMAN: With the agreement of the members of the committee we will meet again at 3.30.

The committee adjourned to meet again to-day at 3.30 p.m.

AFTERNOON SESSION

The committee resumed at 3.30 p.m.

The CHAIRMAN: Gentlemen, the briefs have been presented and the meeting is open for interrogation.

Mr. LEGER: Mr. Chairman, I should like to ask a few questions of Mr. Khairy.

Mr. K. Hulusy Khairy, Director of the Arab Office, Washington, D.C., called:

By Mr. Leger:

Q. Are any Arabs working along with the English in the Palestine government?—A. Government officers? Yes, I was myself a government officer until last year, until I resigned to come to Washington.

By Mr. Jaenicke:

Q. What was your position?—A. A district officer, an officer in charge of the administrative area of Jaffa.

By Mr. Leger:

Q. To whom do you attribute this present disturbance in Palestine?—A. To the activities of Jewish terrorists.

Q. Do the Arabs believe in freedom of speech and religion?—A. Well, in the countries where the Arabs were independent and ruled themselves there was a free press.

Q. And is there freedom of religion also?—A. Yes. I will give you as an example Egypt where there are a million Christian Copts, also Iraq and Syria where there are religious immunities.

Q. In Palestine?—A. We have never had an independent government in Palestine; it is a mandate.

Q. Is there freedom of speech and religion?—A. Well, as far as freedom of religion is concerned, yes, but as to freedom of speech and of the press, the degree of freedom of the press depends upon circumstances. For example, under conditions of disturbance naturally the freedom of the press is restricted.

Q. Now, do the Jews in Palestine believe in freedom of speech and religion?—A. Well, I do not know about that. I have a feeling, however, that the Jewish terrorist movement in Palestine does not make it easy for some Jews to express their views on matters of important concern to those people.

Q. Does the average Arab in Palestine assimilate with the Jews?—A. The average Arab? What do you mean by assimilate? The Arab is distinctly Arab and the Jew is Jew.

The CHAIRMAN: Do they inter-marry?

The WITNESS: No, there is no inter-marrying between Arabs and Jews. But they bear no hatred against the Jews.

By Mr. Boucher:

Q. To what extent do they work with each other?—A. As far as I know, and as you may have known from the presentation, the Jews live in a closed economy. The whole economic planning of the Jews in Palestine is directed toward one single objective, namely, the disposition of the Arabs and the gradual alienation of their lands and the conversion of the country into a Jewish state. I would like to mention in this connection that in 1919 President Wilson sent to Palestine a committee, which became known as the Crane-King Commission,

to investigate into the wishes of the Arabs with respect to their political future. In that report which, unfortunately, has been suppressed, the committee said that from interviews with Zionist leaders in and outside of Palestine they have been told openly and frankly that their policy is to gradually dispossess the Arabs in Palestine.

The CHAIRMAN: Why do you say "suppressed"?

The WITNESS: Dispossess. The report was suppressed because of Zionist influence in the United States.

By Mr. Boucher:

Q. Suppressed by whom?—A. I should not have said suppressed; it was not published.

By Mr. Cote:

Q. Was it shelved?—A. It was not shelved, but it was not submitted to the peace conference either.

Q. Do you mean to say the government of the United States appointed a commission that went to Palestine and did not report officially?—A. I did not say the government. It was President Wilson himself who sent these gentlemen to the Near East to investigate into the wishes of the population there as to their political future.

Q. For the President of the United States?—A. For the President. When they came back to the United States they found him ill and later he died. Would you allow me to read these two paragraphs with regard to this report? This appears in the book *Palestine the Reality* by J. M. N. Jeffries:—

But at this point the question will surely come: how was it possible to disregard the report at all since thus to act counter to the findings must have been to arouse some degree of international feeling against themselves. The answer is a simple one and possibly may not prove so surprising in the light of the previous doings of men of mark. No public feeling was evoked by the report and no member of the general public read a line of it: there was not a paragraph concerning it in the press—for the sufficient reason that it never appeared—the Crane-King report was suppressed.

DR. KHEIRALLAH: I was rather shocked at the question whether Arabs believe in freedom of religion or not. I was shocked because we are so close to the Arabs and the Moslems of the world. They are situated not only at the cross-roads of the nations, but also at the heart of all strategic and important points, and have been in close touch with them ever since the Crusades. Now, I am not going into any detail, but Lebanon has absolute freedom of religion, Syria has absolute freedom of religion, Iraq has absolute freedom of religion, Egypt has absolute freedom of religion. In Morocco, long before French occupation, the Jews had their own courts presided over by their own learned rabbis. There is only one section, and that is Hedjaz Hedjaz, which has for centuries been closed to all outsiders, other than Moslems, because in a sense it is considered to be their Holy Land.

Now, on this point of tolerance, as far as the Moslems are concerned—and when we talk about Arabs I realize that in certain sections the Moslems predominate—they came out of Arabia like a flaming sword. They found the Chaldeans with their churches and monasteries and they did not interfere with them, and they moved to where the Christian sects were and when they found them they left them, and they moved into Lebanon and they came to Palestine and to Byzantium with its Orthodox and Greek Catholics and then into Egypt with the Copts with their monasteries and churches. Now, we had one thousand years of Moslem supremacy and those other people are still there with their convents and

their monasteries and their churches. In India where the Moguls ruled and where the Moslems ruled for a thousand years the people who had their temples still have them. There is occasional friction between the different peoples, but this also happens between Methodists and Baptists and has happened between Protestants and Catholics; but there is no question that the Moslems teach tolerance. In Palestine there is a different situation to-day because of the hateful feeling engendered by this Zionist movement.

Mr. LEGER: I will ask you to be very brief and to the point. I asked the same question of the Jews. We are a committee trying to clarify this matter. You said you were shocked.

Dr. KHEIRALLAH: Yes.

Mr. LEGER: You should not be shocked because we asked a question, and I am asking the question and I ask you to be very brief and to the point.

The CHAIRMAN: Mr. Leger, it is hard for the chair to decide these matters as regards questions which involve a number of problems.

By Mr. Leger:

Q. We were told that Palestine is 10,000 square miles in extent.—A. That is right.

Q. We were told that there are 174 persons per square mile in Palestine.—A. Yes.

Q. That would mean a population at the present time of roughly 1,700,000?

—A. That is right. I did point out that these figures are approximate, and they are rather on the conservative side.

Q. That is what I said—approximately. The other group said the same thing. You told us there were approximately 600,000 Jews in Palestine at the present time?—A. Yes.

Q. That would leave 1,200,000 Arabs?—A. That is right.

Q. Did you not tell us this morning that the population would more than double itself in thirty years?—A. I did not say that myself, but I think that is a correct statement. Through the figures of the statistical department in Palestine it has been actually calculated that if the rate of birth continues to be as it was during the last five years and the death rate continues to be as low, the population, without the immigration of one single person, would double in even less than thirty years.

Q. Could you tell the average family in Palestine; how many people are there per family?—A. Actually it has been calculated by Sir John Simpson, who was appointed especially to investigate into the economic life of the Arabs in Palestine, that there is an average of five persons per family.

Q. And what would be the average of the Jewish family?—A. I have no figures to give, but it would be definitely less.

The CHAIRMAN: Is there anyone who can answer that question as regards Jewish families?

Rabbi SCHWARTZ (Executive Director of the Zionist Organization in Canada): I would say that the average Jewish family in Palestine would number four.

Mr. LEGER: Two children per family?

Rabbi SCHWARTZ: Yes.

By Mr. Leger:

Q. Did you not tell us this morning that at least two-thirds of the area of Palestine was non-productive?—A. I did not say that exactly, but I think that it is a correct statement—two-thirds is incultivable.

Q. I presume you mean to say that two-thirds of Palestine would be a desert?—A. A desert or rocky mountains.

Q. Could that portion, the desert, be made productive through an irrigation system?—A. This is a very complicated question. In the first place it is a question of economics rather than a question of possibilities. Of course, you can spend 100 pounds on rocky soil and make it productive, but whether this production is economic or not, whether it is worth while or not, is another question. I understand on authority that it is almost impossible to increase appreciably the productivity in Palestine on an economic basis. I would like to make that very clear. It is not a question of possibility only.

Q. Would you explain to the committee how many Jews and Arabs fought in this last war, and what their casualties were?—A. I have not that figure for the Arabs. I would ask my colleague, Mr. Massoud, about that. He mentioned this point. It was reported in the brief this morning.

Q. If it was reported in the brief I will not ask for an answer now. Could you tell the committee if there are many Jews seeking entrance into Palestine without first obtaining their permits or papers?—A. Oh, yes. As a matter of fact, the Jewish organization and the Zionist sympathizers in the United States are rather proud of it. I think I could use the word "shocking" this time with full justification. It is shocking to see that statement in the papers in the United States. There was an advertisement which ran something like this: Contribute so much and we will undertake to bring into Palestine against the laws of the country so many Jews from Europe. They were calling for contributions to enable them to break the law.

By Mr. Boucher:

Q. Would you answer that question more definitely by confining your answer to within the past ten years? What would you presume to be the number of Jews who have gotten admission into Palestine other than by legal means?—A. I have not got the means. I do not think the government has the means. There are estimates. I heard Mr. Bergerson testify before the Anglo-American committee in Washington that in one year they have succeeded in having 12,000 get into Palestine. He is the chairman of the league for Hebrew liberation.

By Mr. Leger:

Q. Is it true that prior to the Jews going into Palestine there was no irrigation system?—A. That is not true at all. I am one of those who own an orange grove. It is only twenty-five acres in extent. I share it with four of my brothers. This orange grove was planted by my father long before the Jews came to Palestine, and you cannot have oranges without irrigation.

Q. Are there any Arabs working for the Jews in Palestine?—A. I dare say there are. There is a limited number of Arabs engaged by Jews, but it is only for the purpose of obtaining cheap labour.

Q. Are the Arabs who work for the Jews well paid; are they paid as good wages as other people?—A. I will tell you this. It is a curious fact. In 1933-35 I was the district officer in Jerusalem and at the time we had a very serious problem which was known then as labour picketing. The Jewish Labour Organization organized a campaign to drive out by force Arab labour from public works—all government works within the Jewish area as well as from Jewish-owned property in Palestine. It was a very serious problem, and the government had to interfere and put an end to it.

By Mr. Boucher:

Q. To what extent are Jewish workers engaged by Arabs?—A. Very few of them are engaged because they ask for high wages.

By Mr. Graydon:

Q. May I ask this question? While the Jewish witnesses were here, I asked this question: how do the ordinary rank and file—outside of the leaders of Jewry and Arabs in Palestine—get along together in a general way?—A. As I said a moment ago, until the time when a change in policy was made to undermine their national existence. After the white paper of 1939, which safeguarded the rights of the Arabs in Palestine, the Arabs did not mind associating with the Jews and buying and selling to and from them until the campaign of the Zionists started to abolish the white paper and until they had succeeded in killing the White Paper the atmosphere was calm, but now it is tense and it will continue to be tense, until the Arabs' fears are removed.

Q. In that event your evidence is directly contrary to the Jewish evidence which was that the Arabs and the Jews—the ordinary people among them—get along well together in Palestine.—A. If what they mean is that the rank and file of the Arabs are not conscious of their political rights that is absolutely wrong. The average Arab and the simplest of them knows and is fully conscious of his political rights and he is prepared to fight for them now as in the past.

By Mr. Leger:

Q. Would you say that the standard of living in Palestine is better since the Jews have come in than it was before?—A. I would like the question to be asked differently. The standard of the Arab has risen since 1919, but this is not due to the presence of the Jews. The standard of living throughout the Arab countries including Palestine has risen since 1919 because of the impact of western civilization, the interchange of commerce between the Near East and the west, the development of the natural increase and potentialities.

Q. My reason for asking you these questions is that most of them were asked to the other group that was here.—A. I understand.

By Mr. Cote:

Q. I understand that the witness stated this morning that the Balfour Declaration was drafted or was influenced by the Zionist society. I would like to know on what ground you said such a thing.—A. I did not say that; but I do say now that the Balfour Declaration was given for the asking. Who could have worked for it except the Zionists? The Balfour Declaration did not come from heaven as a gift. It was worked for and asked for and it could not be asked for by anybody else except the Zionists.

Q. I understood the gentleman said this morning it was drafted. We have not got the minutes of this morning's meeting in order to clarify the point.—A. I said that they had a share in the drafting of the terms of the Balfour Declaration.

Q. Was there any immediate response, any negative response from the Arabs against the Balfour Declaration at the time it was made?—A. An immediate response was made as soon as they came to know of it. Again I would like to refer to the King-Crain report of 1919 which is a very important document, gentlemen. You should read it.

Q. But it was not published?—A. It was not published at all.

Q. Is there anything official in the way of knowledge by the public that would intimate to the world at large that the Balfour Declaration was not acceptable as a White Paper from the government having the mandate over Palestine?—A. Actually the active opposition of the Arabs to the Balfour Declaration began in 1921. There was a revolt in 1921. There was another in 1923. There was a third revolt in 1929 and another revolt in 1933. And there was one continuous revolt from 1936 to 1939.

Q. And the only alterations or corrections to it were made by the British government in the White Paper when Churchill was secretary?—A. I would like to say there were no corrections, and that these statements were mere explanations. The Balfour Declaration was a very obscure document. It was a mere expression of sympathy, that is all, sympathy with the Zionist aspirations which aspirations were not described. Nobody knew what they were; so the government of Britain had to come out with an explanation. The first explanation came officially in 1922 in the form of a paper issued by the colonial secretary.

Q. Did I understand you correctly this morning when you said that Palestine was ready to accept the world-wide scheme to absorb the overflow of Jews?—A. I said that the Arab world was; I did not say Palestine was.

Q. Would you kindly define to the committee whether the Arab world would be willing to accept, and to what extent, if possible, the overflow of Jews who are wandering all over Europe?—A. I was referring to an official statement issued by the secretary-general of the Arab League who said, in an official statement, that the Arab League was prepared to participate in a solution, on an international basis, with all the countries, to share in the relief of these Jews, and that the Arabs through the Arab League, would take their share.

Q. Would it include or incorporate Palestine?—A. The Arabs of Palestine won't accept one single immigrant, because in no country except Palestine is Jewish immigration of political significance. Palestine in this respect stands unique.

By Mr. Low:

Q. I have two or three questions to ask you. My information is that numerous Jews of Palestine settled in Tel Aviv or Haifa, perhaps in both places, and that most of them were Roman Catholic. Is that information correct?—A. I am sorry, but I have not got any information on the subject.

Q. Yes, so called Jews, and that they were Roman Catholic.—A. I am afraid that I cannot give you any information; I do not know anything about it.

Dr. KHEIRALLAH: It is very hard to understand a Jew being a Roman Catholic or a Roman Catholic being a Jew.

Mr. Low: That was a curious bit of information that came to me; I mentioned so-called Jews.

Dr. KHEIRALLAH: You mean that they passed as such.

Mr. Low: Yes, that is right.

Dr. KHEIRALLAH: There is the possibility, but I am not aware of it.

By Mr. Leger:

Q. Is there a proportion of the population of Jewish descent in Tel Aviv who are Roman Catholic?—A. Yes.

Q. And they have a Roman Catholic Church and a Roman Catholic priest?—A. I am not aware of the situation in Tel Aviv now except to say that only Jews live there.

By Mr. Low:

Q. My second question was in connection with something Mr. Leger has already brought up, regarding religious freedom in Palestine. My third question is this: There is military significance to the Jewish national policy from the point of view of the empire security. I am concerned mainly in the part which Britain has played in trying to befriend the Jews and also be fair to the Arabs.—A. This is a very serious question; I shall try to answer it by giving the facts and leaving the conclusion to you. The Near East, as you know, is a

very large area. It is inhabited by some 35,000,000 Arabs and a little over 500,000 Jews. The most important and dominant factor in that area is the Arab nationalism. These 35,000,000 Arabs realize more, every day, that they must work together.

By Mr. Graydon:

Q. That is the basis of the Arab League?—A. Exactly; with the result that in 1945, last year, that is to say, in March, the League of Arab States was established. This league was established primarily to protect and safeguard the territorial integrity of that area and to protect and safeguard the independence of the Arab states. There is no doubt in my mind that if any danger threatens the territorial integrity of any of these states, including Palestine, or its independence, it would be resisted by the 35,000,000 Arabs there. The Near East lies across the life-line of the Empire, that the British would not wish to incur the enmity of that great number of people. I would also like to remind the honourable gentlemen that certain points in this area lie very close to important Russian industrial centres. I would also like you to take into consideration that for over a century Russia has been working hard to break into warm waters, and she can only do so through the Near East. These are the factors, and I leave you to draw your own conclusions.

The CHAIRMAN: Are there any other questions?

By Mr. Jaenicke:

Q. Yes, I would like to ask a few questions. How much has the population of Palestine increased since the beginning of the century, in the last 46 years?—A. I said in my brief that in 1917, when the Balfour Declaration was issued, the number of people living in Palestine was something like 750,000. Of course, of that number, only 75,000 were Jews, and the rest were Arabs.

Q. Now we have 1,250,000 Arabs or something like that. Would you say that was due to natural increase or due to immigration?—A. Basically it was due to natural increase.

Q. How many immigrants would that include?—A. It has been calculated by the Government that the number of Arabs who came into the country as immigrants was something like 12,000.

Q. Since 1917?—A. That is right.

Q. But the claim made by the Zionists is very considerably more; do you know that?—A. I can tell you this, sir, in support of my argument, that the government in Palestine chases out any Arab immigrant which it can catch. It actually chases him out of the country, while the illegal Jewish immigrants are legalized through special immigration laws.

Q. Where do these Arab immigrants come from?—A. From the neighbouring Arab states; and I would point out that within the 12,000 I have mentioned may be included what we call seasonal immigrants.

Q. Of the irrigated areas where farming is done, what percentage would be occupied by Arabs and what percentage would be occupied by Jews?—A. Of the agricultural areas, I would say, now, the figure would be one-third owned by the Jews and two-thirds owned by the Arabs; and the one-third owned by the Jews lies in the best and the most fertile part of the country.

By Mr. Boucher:

Q. What percentage of the land in Palestine, or what value of the lands in Palestine do the Jews own, in relationship to the population?—A. One-third is owned by the Jews, and two-thirds by the Arabs, that is, of the cultivatable area.

Q. You mean of the fertile area?—A. I mean the land that could be cultivated. We have in Palestine, actually, 18 degrees of land. There are 18 categories for tax purposes. The land is divided into 18 categories, varying in fertility; and the taxes vary from one pound per dunam, in the best cultivatable area, to 12 mills in the least cultivatable area.

By Mr. Graydon:

Q. It is almost as complicated as our Canadian income tax.—A. Yes, it is very complicated.

By Mr. Boucher:

Q. What percentage of the Arabs live on, or work, or use Jewish-owned property?—A. The greatest land owner in Palestine is the Jewish Land Company. In the constitution of this company it is specifically laid down that no Arab should be employed on the land, and that this land is unsaleable.

Q. What about Jews occupying or using Arab-owned property?—A. As I said before, Arabs do not use very many Jews, because of the expense of the labour.

Q. Do they rent real estate to the Jews?—A. Yes.

By Mr. Jaenicke:

Q. There has been quite a lot of industry established in the country since the Jews came in.—A. Oh, yes.

Q. Do the Arabs manage any factories?—A. Yes, they have got their own factories, such as textiles, soap, matches; and now there is almost a boom for establishing companies for new productive developments and for new industries.

Q. How much of the industrial production is in the hands of the Jews and how much in the hands of the Arabs?—A. I suppose the greatest part of the industrial productive power of the country is in the hands of the Jews.

By the Chairman:

Q. Would that apply to all the Arab lands?—A. No.

By Mr. Jaenicke:

Q. Is that mostly situated at Tel Aviv?—A. It is situated along the coast between Haifa and Tel Aviv.

Q. That is where the Jewish industries are located.—A. Yes.

Q. Those are all Jewish?—A. All Jewish.

By Mr. Cote:

Q. Could the witness tell us briefly about the health situation in Palestine, and in Jerusalem particularly.—A. The health situation in Palestine is run like this: the government appropriation is divided into two sections; I am referring to the government health appropriation. One part is given to the Jews, who are allowed to use it according to their likes and dislikes; and the other part is given to the Arabs, when it is worked out between the Arabs and the government; so we have now a government-Arab health service, so to speak, and a Jewish health service.

Q. You mean to say that the government does not interfere in the Jewish zone?—A. Except for matters which are of public interest, it is left entirely to the Jews to do whatever they like, not only with regard to health service but also in regard to education.

By Mr. Leger:

Q. Is the amount divided half and half?—A. No, it is not; it is a definite proportion, and the Jews see to it that they get their proper share.

By Mr. Low:

Q. Is it divided pro rata, to the population?—A. I think it is, but I am not sure.

By Mr. Cote:

Q. There is not twice as much given to the Arabs, with regard to education and health, than is given to the Jews?—A. Probably there is.

By Mr. Graydon:

Q. Why was Palestine put under the mandate in the first instance?—A. Palestine was put under the mandate in consequence of the decision which is embodied, at least in principle, in article No. 22 of the Covenant of the League. The Turkish empire, which has been called the "sick man of Europe" after the outbreak of the first war, was considered by the western powers to be a semi-developed area. During the war, the Arabs, who were living within that Turkish empire, joined hands with the allies under the leadership of King Hussein; and in return for their participation in the war, they were promised that they would have their independence. After the cessation of hostilities, the mandate system was devised, according to which the Arab territory were assigned to mandate (a), which means that the people of those areas were developed to a degree that would warrant provisional recognition of their independence, subject only to advice and assistance. Under this mandate was to be Iraq, Syria, Lebanon, Trans-jordan, and Palestine.

By Mr. Cote:

Q. I would like the witness to emphasize more the health situation, particularly since the mandate started, and also in regard to education. Could he give us a brief summary of the situation as it now exists?—A. There is no comparison between the health conditions during the Turkish regime and health conditions under the British mandate. There has been a tremendous improvement; the main power behind this improvement is the British mandate in Palestine. It is the government of Palestine.

By Mr. Boucher:

Q. Would you say the same in regard to education?—A. There has been a tremendous improvement in education, but not to the same extent as in the health services.

By Mr. Graydon:

Q. With respect to the status of the government of Palestine at the moment, how it is set up, and what representation is there in that government of the mandatory power of the peoples who are there?—A. Palestine is ruled directly by Britain. There is no popular representation whatsoever. It is a direct administration.

By Mr. Leger:

Q. There are no Arab members of parliament?—A. No, there is no parliament, no House of Commons, no representation except in local matter.

By Mr. Boucher:

Q. You mean local administrative offices?—A. That is right. You have municipalities, for example, but even in the municipalities their power is restricted. Anything they do must be approved by the district commissioner.

By Mr. Graydon:

Q. Has there been any move on the part of the Arabs towards self-government?—A. Oh yes, from 1936 to 1939 there was a continuous revolt for the purpose of stopping immigration, and instituting self-government; and the White Paper of 1939 promised to free them. It promised that the Jewish immigration would not continue except with the consent of the Arabs; that land sale would be regulated so as to safeguard the interest of the peasant class, the falladien, and that within ten years a democratic government would be instituted in Palestine.

By Mr. Leger:

Q. Has not the White Paper been nullified?—A. For all practical purposes, the White Paper has been nullified.

By Mr. Winkler:

Q. The first witness this morning said that Mohamed has united the Arabs?—A. That is right.

Q. What Mohammedan countries lie outside of the Arab League?—A. Turkey, Persia, Afghanistan, and 90,000,000 Indians in India who are Moslems.

Q. Do you include the North African countries?—A. Yes, nearly all the Arabs there are Moslems.

DR. KHEIRALLAH: There are 50,000,000 Moslems in China, 50,000,000 Moslems in Russia, 60,000,000 Moslems in Indonesia, and 300,000 Moslems in the Philippines.

By Mr. Côté:

Q. I would like to interject a question. Have all these people made representations to British government with regard to the Palestine issue?—A. Yes.

Q. Do you mean to say beyond the leagues?—A. Beyond the league.

Q. Could you not give us a concrete example of such a move, let us say, from Egypt, for instance?—A. Egypt is within the league.

Q. I mean beyond the league?—A. Yes, 90,000,000 Indians also made a plea to England to stop the injustice that has been inflicted on the Arabs of Palestine, to give them independence, and to stop Jewish immigration.

Q. When was that done?—A. It was done upon several occasions; I cannot give you the exact dates. I would refer you to the statement of Mr. Bevin when he announced the formation of the Anglo-American Committee, when he said in parliament, that the Palestine problem is becoming an international problem, and a matter of deep concern not only to the Arabs but also to the 90,000,000 Moslems. That was an official statement made by Mr. Bevin last year.

MR. WINKLER: Mr. Cote has asked the very question that I was going to ask.

MR. GRAYDON: Great minds think alike.

MR. COTE: Liberal minds work together.

By Mr. Winkler:

Q. Where is the Arab centre of culture.—A. Egypt is considered to be the centre of Arab culture.

Q. The witness mentioned that the standard of living has risen since 1917. What portion of the Arab population is literate today—A. There are no official figures, but I would say that 35 per cent could read and write.

Q. One of the witnesses, on the subject of tolerance, stressed the fact that the Arabs were very tolerant.—A. That's right.

Q. What attitude do the witnesses here today take either towards condoning or condemning the activities of the grand Mufti of Jerusalem?—A. Well I think I would rather ask Dr. Kheirallah to answer that question.

Dr. KHEIRALLAH: Personally, although representing the viewpoint of the Arabs, I hold no brief for the grand Mufti or for any faction, or for any individual on either side; but the majority of the Arabs during the war, as exemplified by the actions of Syria, Lebanon, Transjordan and over 90 per cent of Iraq, to say nothing of Egypt and the Moslems of other countries, were certainly pro-ally. We had nothing but the Eighth English army during the critical period in Syria and Lebanon; and had they given the least encouragement, things might have been different. But we will leave that aside. I cannot but think of Mr. Stern who went to Mussolini and came back and strengthened his hand. You would not stigmatize the Jewish race because of that.

Mr. WINKLER: But the grand Mufti has returned to Egypt.

Dr. KHEIRALLAH: He is an individual. Egypt had given him shelter. Would you want to hang him? He was driven from Palestine to Lebanon where they made it hot for him; then he ran away to Iraq where he was pressed hard and ran to Persia. From there he went to Turkey where they said "We do not want you." He then ran away to the only place for him to go. I do not hold a brief for him. He is only one individual, while you have got 60,000,000 Arabs. I include North Africa as well as East Africa. You cannot condemn them all for the action of one man, or even for the action of a group. Neither would I condemn the Zionists because of the action of the extremists.

Mr. WINKLER: He is the leader of Palestine?

Dr. KHEIRALLAH: He was a leader of his people in one particular country, and he was fighting for those rights about which you have heard. He is not a leader to-day, so why bring up one individual and hang the whole thing on him. When I talk with a little heat, do not think that it is anything but a mode of expression, let us say.

Mr. WINKLER: I believe I heard you mention that he did not go to Germany.

Dr. KHEIRALLAH: No, he did not go to Germany at the start. You can drive a man to the devil or the deep sea. Maybe he will choose the devil or maybe he will jump into the sea. What has that to do with it?

Mr. WINKLER: But the German press carried the pictures.

Dr. KHEIRALLAH: I think they were promulgated here, no doubt, by the powerful Zionist organization. The pictures were such rank forgeries! There was Hitler sitting on one side, and about a mile away was the Mufti looking one way while Hitler was looking the other way. It is like the question: Have you stopped beating your wife? It matters not how you answer it!

Mr. WINKLER: Why did the German papers carry that picture?

Dr. KHEIRALLAH: They did so because they were grasping for anything to hold on to, just as every fighting man would, when he is fighting for his very existence and his life. Leave a little thing like that alone. The Mufti is only one individual. How many other instances have we had, in one place or another,

such as Jews who fought against the allies among their own nationals. When those nationals fought against the allies, those Jews were soldiers in the ranks.

Mr. WINKLER: But we are talking about Palestine now, of which Jerusalem is the centre; and this is the grand Mufti of a religious organization.

Dr. KHEIRALLAH: The grand Mufti was doing what was "kosher" for every other leader we have had of the Zionists. Sauce for the goose is sauce for the gander.

The WITNESS: Will you allow me to make a contribution to this matter? He asked our own attitude as belonging to the intelligentsia, and will you permit me to make my own contribution? In my view the rapprochement between Hitler and the Grand Mufti is purely accidental such as the rapprochement between Churchill and Stalin was accidental.

By Mr. Graydon:

Q. What steps have been taken by the Arab people or the public rulers to repudiate the Grand Mufti, if any?—A. That is part and parcel of the main question. Why should we repudiate a man when we consider that his action at that time was a pure accident. Did the British or those who disapproved of joint action with the Communists repudiate Churchill at the time he decided to put his hand into the hand of Stalin? He had to do it. He was fighting a war. The Mufti's action has no other significance whatsoever. He is in exactly the same position to the Arabs as Churchill was to the British; he is a symbol of resistance. Whenever they feel that their existence is in danger they look to him. Now, if England is again faced with another perilous moment they would go back to Churchill.

By Mr. Cote:

Q. Would not the comparison be more apt with Laval?—A. No, it is not the same. Laval agreed to join hands with Hitler to rule France.

Q. I am sorry, but I do not think that Churchill's attitude and association with Stalin could be put on the same level as this association you are speaking of. I resent that.—A. I said one is as accidental as the other. I do not say it is comparable with it, but it is accidental. That is where the comparison is; it is purely accidental. It has all been an accident; a force majeure.

By Mr. Low:

Q. What is the attitude now of the Arabs towards a continuation of a mandate to Britain?—A. As I said before the Arabs do not recognize the Balfour Declaration, and they have never recognized and never will recognize the mandate which embodies the Balfour Declaration. They will resist both to the end.

Q. I thought that would be the answer. Now, is there now any substantial agitation on the part of Arabs against Britain's continuation of her mandate?—A. Yes. The fight from 1936 to 1939 was not only against the Balfour Declaration but also against the mandate. They were promised that within ten years from 1939 they would have an independent government.

Q. Now, does that attitude toward the mandate influence the Arabs against Britain?—A. Not in the least. We might make a distinction between the British government and the British in Palestine. The mandate may not be favoured even by the British. They say they have been entrusted with this mandate, and they have got to get the permission of those who trusted them to make alterations.

Q. The point I wanted to bring out was this: a distinction between the agitation against the mandate principle involved and against the mandatory

state?—A. There is all the difference in the world. The Arabs have not been fighting against the British, they have been fighting against the Palestine mandate as such.

Q. You recognize, of course, that Britain's position has been a difficult one?—A. Yes.

Q. And that at this moment, especially when the world is on the verge of almost anything one can imagine it would be dangerous to interfere so as to make the situation more difficult for Britain?

Dr. KHEIRALLAH: I do not think the question has been clearly answered. I am, unfortunately, the editor of a magazine which goes to the eastern world and has a small circulation here. I get the Arabian periodicals and papers. I am in touch with the foremost personalities of the Arab world as well as of the Moslem world at large. Now, I want to say here that England is the only country the Arabs look to. You will see it represented in my editorials. But this is not my opinion alone—England brought order out of chaos in the last 150 years. She found the world in a chaotic condition and by her efforts she made conditions more stable and she did not rule by the spirit of the whip; she ruled by diplomacy and decency and brought forward improvements everywhere, and we Arabs have benefited by that experience. Italy walked into Libya and out of 1,600,000 people she destroyed a million men, women and children. Now, look at the facts; why ask me? Who is the ally of Iraq—England; who is the ally of Egypt, in spite of the fact that Egypt has come of age and wants her independence—England; who is left of the Arab world who is not an ally of Britain? King Ibn Saud is Britain's staunchest ally. The majority of us were brought up in American and English schools, and our viewpoint right through is pro-British and pro-American. My friend's statement about the mandate introduces a different question. We object to the continuation of the mandate as long as the mandate is motivated by this Zionist frenzy.

Mr. LEGER: The mandate was given to Great Britain by the League of Nations, was it not?

Dr. KHEIRALLAH: That was a question we slipped over. Back of it all was the wish and the will of Lloyd George and Clemenceau, and a division had been made by Sykes and Picot. That is the thing that thwarted Wilson. That is the influence that was not openly arrived at, back of the machinations. It was different. Now the whole Arab question is stabilized. The Arab world is with the English world and the English world should be for the Arabs. We realize that we are wards of her domain and she realizes we are with her. Look at her actions in India. She is going to win that sub-continent with its 400,000,000 people because she has been clean and right. Now, that is the question you wanted to ask.

Mr. Low: Yes. I want to ask also this question: if the mandate should become a United Nations Organization mandate instead of British how would the Arabs feel?

Dr. KHEIRALLAH: We would rather have Britain and we would rather have as per her specific pronouncement of 1939. She had tried to do this for twenty-five years. She had sent out thirteen royal commissions. Now here we have pressure put on England by her best friend, a man who was possibly manoeuvred into asking just this personal favour of 100,000, just like I would say to my friend: "Give me a chew of tobacco."

Mr. BOUCHER: Might we for a moment forget the historical background? Could you explain to me what the Arab aspiration is if the Arab were relieved of the mandate? What would the system of government be; what would the system of control and regulation be; and what would they adopt if the mandate were removed?

Dr. KHEIRALLAH: Just the same as Syria and just the same as Lebanon; just the same as any other Arab state. And do not miss that one thing. This is where the Arab stands to-day. He says, "All right, you have 600,000 Zionists in Palestine although the English government have issued 850,000 ration cards. The Arabs say: "You are here and you are welcome; let you and me endeavour to be Palestinians. Let us have a Palestinian government." The Arab says that; Saud says you are our people, all right, but stop your aggression.

Mr. BOUCHER: What form of government would you set up?

Dr. KHEIRALLAH: Listen, if you think that the form of a man's religion or the form of his government makes him any better you are mistaken.

Mr. BOUCHER: I want to know from you what form of government you would recommend. It is a fair question.

Dr. KHEIRALLAH: I am going to answer it, but I am leading up to this point. I have seen the republican form of government in Haiti and Nicaragua and it was terrible, and I have seen enlightened royal government that was marvellous. It is not the form of government; we want a democratic government. Any man who takes the word and thinks that by the mere mention of the words "democratic government" it becomes a holy sort of thing or a good thing—or because it is a republican form of government—

Mr. BOUCHER: I did not mention a democratic form of government or a republic form of government or a royal form of government. I simply asked a question. I would like to know what form of government set-up you would have if there was no mandate?

Dr. KHEIRALLAH: We would have a republican government.

Mr. COTE: Has that ever been expressed by the people in your country—that you would like to establish a republic?

Dr. KHEIRALLAH: They have repeatedly stated that they wanted a representative government of all the people who were living in Palestine, who are Palestinians, regardless of whether they be christians, Jewish or Moslems.

Mr. Low: What is the attitude of the Arabs generally toward Communism?

Dr. KHEIRALLAH: No good.

Mr. Low: Do they actively oppose it, visibly?

Dr. KHEIRALLAH: No, but they are not Communists. They have never been Communists. It is not in their grain. They have been liberal. When you talk about democracy, I think the Arabs are the most democratic people in the world. They believe in personal freedom and initiative and cooperation, but they are not Communists.

Mr. Low: If I remember correctly, when the Zionists spokesmen were here last week one of them stated that by all means the Zionists wished to have the mandate transferred from Britain to the United Nations Organization. Now could you suggest any implications in that?

Dr. KHEIRALLAH: Not unless they thought New York was going to run it.

The WITNESS: Actually we do not believe that the United Nations will ever approve the present mandate system in Palestine unless they really wish to commit the same mistake that the League of Nations committed. As I have explained in my brief there is a distinct contradiction between the provisions of the mandate in Palestine and that article which gave sanction to the mandate, article 22. In the mandate for Palestine the provisions are direct contradiction with the basic principle of the mandate. The mandate says that the independence of that territory is provisionally recognized, that they ought to be subject only to advice and assistance, not to uprooting, not to the substitution

by other people from the outside. It is only to give advice and assistance. I do not think that after twenty-five or thirty years of miserable experience in Palestine the United Nations will ever approve such a thing.

By Mr. Leger:

Q. Would you want to have your own government and be a member of the commonwealth?—A. A Palestine democratic government in which everybody who is a Palestinian citizen will share equally in the privileges and responsibilities of that country.

By Mr. Boucher:

Q. Have you any concrete proposal with regard to a democratic government?—A. We have said in the main that we have achieved democracy in so many parts of Arabia and they are capable of achieving it in Palestine. They have achieved it in Egypt and Iraq; they have achieved real democracy in Lebanon and in Syria and there is no reason why they should not be able to achieve it in Palestine.

Q. Probably you would attempt to go further than your friend did in answer to my question. Forget the history and give me an outline of what you think the Arabs ambition is as to a form of democratic government and how that form would be constituted. Could you do that?—A. Yes. The details of such a scheme have never been worked. It would, I imagine, be worked out by a representative assembly. They would sit down and draw up a constitution.

Q. Have you done anything to express the wishes or the will of the Arab in that regard by some concrete form?—A. No, the details of such a scheme have never been worked out.

By Mr. Cote:

Q. Is such a scheme as has been pointed out by my colleague in the mind of the Moslem world; a scheme of organizing the Moslem world into a block of nations?—A. There is no idea in the mind of Moslems at present to form a block of their own. The Arabs make a clear distinction between the Arab movement and the Moslem movement. The Arabs are not all Moslems.

Q. I know that.—A. We have a great number of people who are non-Moslems.

By Mr. Leger:

Q. How many?—A. In Egypt there are something like 2,000,000 christian Copts.

By Mr. Cote:

Q. It is a small percentage.—A. 2,000,000 out of 15,000,000 Moslems. There is a small minority in Syria and a majority of christians in Lebanon and a They all participate in the government on an equal footing with the Moslem small minority in Palestine and there is another christian minority in Iraq. Arabs and they do not consider themselves a national minority.

Q. Is there any movement on foot to prepare, with the cooperation of Palestine, an organization that would speak louder to the U.N.O. or anywhere else where a separate representation could be made, if representation is being accorded to any of the countries?—A. I do not understand your question.

Q. If there is self-government in Palestine and if there is self-government elsewhere in the Arab world, is there on foot anything in the way of organizing a block of nations?—A. Arab nations?

Q. Yes.—A. Oh, yes. You see it now with the program of the Palestinians—and I would say that the majority of Palestinians are Arabs—it is therefore their program to join the Arab League as soon as they become independent.

Mr. JAKES: Could I ask a question?

The CHAIRMAN: Certainly.

Mr. JAKES: I have not got the record, but did the Zionists tell us what sort of constitution they would have?

The CHAIRMAN: I think it is on the record. They gave some answer.

Mr. JAKES: I do not remember it. I do not remember the question being asked.

The CHAIRMAN: Yes, the question was asked and answered.

Rabbi SCHWARTZ: Do you mean what kind of constitution they would have for the Jewish state? Definitely democratic.

Mr. JAKES: What do you call democratic?

Rabbi SCHWARTZ: In the sense of one man one vote.

Mr. JAKES: Do you call the Russian system democratic?

Rabbi SCHWARTZ: No.

Mr. JAKES: Do you call it a socialist country?

Rabbi SCHWARTZ: England to-day is partially socialist and she is democratic.

Mr. JAKES: It is not socialist.

Rabbi SCHWARTZ: They call it socialist.

Mr. JAKES: It is not socialist yet.

Rabbi SCHWARTZ: Not entirely. What the Zionist movement has had in mind from the beginning as to what the Jewish homeland will be is a government in which there will be one man one vote. There is no question about that. Full rights for minorities with their recognition.

Mr. JAKES: One party?

Rabbi SCHWARTZ: No, not in Palestine. As a matter of fact in the Jewish community in Palestine we have a dozen parties—too many. Full rights for minorities, recognition for Arab culture and opportunity to develop Arab culture. I have a document here—a resolution adopted only last summer in London—on this question. "The Jewish state will be based upon full equality of rights of all inhabitants without distinction of religion or race in the political, civic, religious, and national domains, and without domination or subjection. All communities will enjoy full autonomy in the administration of their religious, educational, cultural, and social institutions." This was an official statement of the Zionist movement in August 1945 at a meeting held in London.

Mr. JAKES: That is provided the Jews have a majority in Palestine.

Rabbi SCHWARTZ: Naturally. You could not have a Jewish state unless you had a Jewish majority.

Mr. JAKES: You would not want independence in Palestine until the Jews reached a majority?

Rabbi SCHWARTZ: We would not want Jewish independence until we had a majority?

Mr. JAKES: Yes.

Rabbi SCHWARTZ: I think we will be willing to wait until we are a majority, and we want such conditions existing which will enable us to become a majority.

The WITNESS: I would like to ask a question. Here is a gentleman who claims to be a democrat. This is a great opportunity for me to ask him a question. Would he go now as a representative of the Zionist organization with a demand to be served on England jointly with the Arabs to the effect that we have a democratic government now?

Rabbi SCHWARTZ: What is that?

The WITNESS: Would you join together with me and all Arabs now in a communication to the Prime Minister of England demanding the immediate institution of a democratic government in Palestine?

Rabbi SCHWARTZ: Provided—

The WITNESS: With no provisions, now?

Rabbi SCHWARTZ: Provided it allowed for Jewish immigration up to the absorptive capacity of the country as indicated in the Churchill white paper of 1922. The Arabs would remain. We believe there is no need for Arab immigration because they have vast territories. There will be no problem there. Such conditions of democratic institutions in Palestine would allow for one condition. There would be an opportunity for Jewish immigration to come to Palestine, up to the absorptive capacity of the country, in accordance with the Balfour Declaration and mandate, and the White Paper of 1922.

The CHAIRMAN: Order!

Rabbi SCHWARTZ: We stick to the mandate and the Balfour Declaration. We are not ready to abandon the Balfour Declaration and the mandate. That is the official policy of the Zionist organization at the present moment; and to-day, at this moment, the Balfour Declaration is the mandate upon which our rights are founded. We stick to it and we do not ask for its abandonment.

Mr. JAKES: We have not got the record, but I remember asking a question with respect to the White Paper and it was said that the interpretation put on the White Paper here was the issue, I mean to say, the Balfour Declaration.

Mr. GRAYDON: That is to say, the 1917 declaration.

Mr. JAKES: That is right; that the interpretation put on it in 1917 is very different to the interpretation which is put on it in 1946.

The WITNESS: That is right.

Mr. JAKES: What is the Balfour Declaration? Is it the declaration as it was issued in 1917, or is it the interpretation put upon it by the Zionists or anybody else in 1946? The only declaration I know was the one issued in 1917, not the interpretation put upon it to-day. I have a few questions to ask the witness.

The CHAIRMAN: Certainly, it would be in order.

By Mr. Graydon:

Q. Can you tell me how many Palestine Jews served in the War?—A. The figure given by the Jews, so far as I remember, is 25,000; I do not know what proportion of that figure were women and what proportion were men. When I say women, I mean in the non-combatant forces.

Q. It is claimed that the British prevented the Jews from raising an army.—A. That is not true; there were no restrictions whatsoever upon volunteers from either the Arabs or the Jews in Palestine. I myself was responsible for recruiting Arab volunteers at the time and I remember that we raised 13,000. A good number, in view of the fact that for the three years immediately before the outbreak of the war, there was a revolt which lasted for three years, in which the Arabs lost not less than 15,000 men in dead alone.

Q. Was Palestine included in the Hussein Agreement?—A. Yes, definitely. We Arabs claim that Palestine was definitely included in the pledges that were given by the British government. I would remind you gentlemen that the pledges of McMahon to King Hussein were given two years before the Balfour Declaration. Actually the only territory excluded from the terms submitted by King Hussein to Sir McMahon was the territory now known as Lebanon where the French, because of the Christian majority there, were interested. Actually, King Hussein in his reply said that because he felt he ought to preserve concord between Britain and her ally, France, he would agree to the

exclusion of this area. It was excluded on account of that, although it was really Arab territory; and King Hussein said, that after the war the people of that country will be consulted and if they wish to join in an Arab state, very well; otherwise they can remain excluded therefrom.

Q. How much have the Arabs profited by the Zionist hospitals, and universities?—A. Very little, almost negligibly. I have already explained, there are two health systems in Palestine, one which is purely Jewish and the other which is English-Arab, that is, the system which is the government's health service. Actually, the number of Jews who avail themselves of the service of this government institution is far greater than the number of Arabs who benefit from the Jewish hospitals. Very few but wealthy people could afford to pay for the Hadassah hospital in Jerusalem. The charges for an operation of appendectomy is something like £75. (\$300) that is something very few Arabs can afford to pay.

By Mr. Graydon:

Q. You do not mean that the Jews make a distinction in the way of costs of hospitalization between Jews and Arabs?—A. Oh yes.

Q. Do they charge the Arabs more?—A. There is a special section in the Hadassah hospital for free treatment which is confined to Jews.

Q. Well, it would be a Jewish institution?—A. Yes.

By Mr. Low:

Q. Have you a hospital of your own?—A. We have an Arab-government institution, we do not complain.

By Mr. Graydon:

Q. But by way of fairness, I do not think you want to leave the impression that there is a discrimination in so far as paying patients are concerned?—A. Oh, yes, the Arab pays more than the Jew in the Hadassah hospital.

Q. For the same operation?—A. For the same operation.

Q. Does the Jew pay more than an Arab in an Arab institution?—A. Health appropriation is divided into two parts; one part is given to the Jews and the other is managed by the government. This other service which is run by the government is mainly an Arab one, staffed by Arab doctors, intended primarily for the service of Arab people; but the number of Jews who avail themselves of the services of this Arab-government institution is far greater than the number of Arabs who have benefited from the Jewish institution, the treatment to all is free.

By the Chairman:

Q. Is there any discrimination against Jews in the Arab hospitals?—A. No, there is none whatsoever.

Q. You maintain there is in the other hospital?—A. There is, definitely, a discrimination. In the Hadassah hospital there is a free section to which the Arab is not allowed; and in the other section of the hospital to which the Arab may go, the Arab has to pay as much as £75 for an appendectomy operation.

By Mr. Jaenicke:

Q. To what extent are Jewish hospitals subsidized by the government?—A. I do not know, but I do know that they take their full share from the government appropriation. Of course, they are subsidized by private funds.

Mr. JAENICKE: I would like to get some information upon education.

The CHAIRMAN: If we could just let Mr. Jaques finish.

By Mr. Jaques:

Q. I shall include the schools.—A. The medium of expression there is Hebrew, so we do not use the schools because we do not know Hebrew.

By Mr. Cote:

Q. What system of education do both groups have?—A. I would refer you to the section of the Anglo-American Committee's report dealing with education. The education system, like the health system, is divided in two. There is a Jewish system of education and a government system. The government system is run by the Arabs and the government, but the other system is exclusively Jewish.

By Mr. Jaenicke:

Q. Is the Jewish system subsidized by the government?—A. Oh yes.

Q. Have you a university in Palestine?—A. There is a Hebrew university.

Q. Is it run by the Jews?—A. Yes.

Q. And is paid for by the Jew?—A. Yes.

Q. Is it subsidized by the government?—A. Partly.

Q. Can Arabs attend that university?—A. They can go to that university, but the medium of expression is Hebrew and they do not know Hebrew.

By the Chairman:

Q. Is there any university in Arabia?—A. In Arabia we have many universities, but none in Palestine. We have three universities in Cairo, and two universities in Beirut.

By Mr. Cote:

Q. What is the highest school grade you have in Palestine?—A. It is the high school.

Q. You have no secondary schools?—A. Yes, we have; that is the secondary school, it prepares for matriculation.

By Mr. Jaques:

Q. What about the increase in the Jewish population; does that raise the standard of living of the Arab population?—A. I think I have answered that before; I think I said there was a rise in the standard of living of the Arabs, but that it was due to factors which are entirely beyond the control of Zionism, and was primarily due to the impact of ideas between the east and the west, due to the interchange of commerce, the interchange of trade, and to increased productivity throughout the Arab countries.

Q. With regard to the population, has there been an increase in population in the other parts of Arabia as well?—A. Oh yes; there have been increases all through Arabia; almost double in Transjordan since 1917; they have trebled in Egypt since 1880; and there has been an increase in Iraq, Syria and Lebanon.

Q. The statement was made here the other day that owing to the improved standard of living in Palestine, the Jewish population had increased.—A. The Jewish population increased due to immigration.

Q. But you say that the Arab population has increased in other parts?—A. Oh yes, throughout the Arab country, almost the same ratio.

Q. But it is not due to Zionism?—A. Oh no, it has nothing to do with that.

Q. It is not due to their administration?—A. I do not suppose they are trying to link up our fertility with Zionism; that would be too much to claim of them.

Q. Would you, very briefly, tell us the difference between the Jewish national home, the Jewish national state, and the Jewish national common-

wealth?—A. The Jewish state and the commonwealth are the same, I take it; but the Jewish national home is different, at least, according to the understanding of the British government, who are the authors of the Balfour Declaration. They have described the Jewish national home rather in detail. I shall read it again if the committee is interested.

By the Chairman:

Q. But you read it this morning.—A. Oh yes.

Q. We will have it in the record anyway.—A. If you like I can state it in brief.

By Mr. Jaques:

Q. The whole case to me, as I see it, stands or falls on that promise. If I remember correctly, they promised a national home "in" Palestine, not "all" Palestine; it was "in" Palestine.—A. Yes, that was explained in detail in the Churchill Command Paper of 1922.

Q. We hear so much about the Zionist side and so very little about the Arab side of this question.—A. Yes.

Q. I mean, generally, in the press and over the air and everywhere.—A. I think this is a very important question, sir, and I would like to answer it in more detail. I think it would serve a more important purpose if I referred to the United States of America. You are probably aware there are something like 1,000,000 Americans of Arab extraction, and something like 5,000,000 to 6,000,000 Jews in the United States of America. Americans of Arab extraction, when they live in a country, acquire the citizenship of that country. They owe all their loyalty and allegiance to that country; they have nothing but sympathy for that country. They have no loyalty otherwise. I think this is not the case with the Zionist Jews in America. They have been vociferously agitating for the creation of a Jewish state on the plea that they were homeless.

The CHAIRMAN: I do not think I would like to allow that statement to go unchallenged because I know, from my own experience, as a Canadian, that the allegiance of the Jewish people to our country is very, very great. They are very, very loyal.—A. If you would allow me, Sir, I have said this only to present the next point. I say that the plea of Zionism is to create a home for homeless Jews. Now, I ask you, gentlemen, if a Jew who is living in the United States of America, or a Jew living in Canada, has got no home, then who has? If a Jew living in Europe has got no home, or a Jew living in England has got no home, or a Jew living in France has got no home, then who has got a home? I ask you? Who has got a home? Why should a Zionist living in France, or in Canada, or even in Germany, or anywhere on the face of the earth where he is treated on the basis of equality with the citizens of that country need a home? Why on earth should he need a home? Has he not already got his home?

By Mr. Graydon:

Q. I would like to ask you this: I do not think the Jewish people are asking for a home.—A. But I said the Zionists.

Q. All right, I will substitute the word "Zionists". I do not think the Zionists have in mind bringing Jews from places where they have homes to-day. You have referred to places in Central Europe where the persecution of Jews has been very great.—A. Excuse me, sir, Zionism existed before Hitler; it existed when the Zionists were living in Germany on an equal footing with the Germans; it existed in Czechoslovakia where the Jews were living on equal footing with Czechoslovakians. Even at that time they held the claim that they needed a national home.

Q. I was just thinking of what the Jewish witnesses said here.—A. The Zionists put their case before the war that the Jews need a national home. They do not make a distinction between Jews who live in Poland, Jews who live in Czechoslovakia, or Jews who live in the United States of America.

By Mr. Cote:

Q. I would like the witness to clarify my mind with regard to the Zionist organization. I have always had the impression that the Zionist organization was an organization to counteract what is known all over the world as anti-semitism. The history of anti-semitism is, I am sure, well known to all the members of this committee and as being a sort of Hitlerism towards Jews all over the world. If I am not right, I would like to be corrected. Is not the Zionist organization somehow trying, all over the world, to counteract that idea of anti-semitism? Wherever persecution took place the Zionist organization would come out and say, "We will see to it that those of our people who are being persecuted here and there should at least have a land where they can go and live forever after as free men." That is the idea I have always held, and I would like to have it clarified.—A. There has been a lot of debate on the question of Zionism. For a clear and true picture of it I would refer you to a book written by Rabbi Berger, and to the many writings of Rabbi Rosenwald, who is the head of the American Council for Judaism, where he explains that Zionism is injurious to the interests of Jews. It is a national movement which strikes at the roots of loyalty of the Jews wherever they are. These are the words of a great and learned man, whom, I think, should be treated as an authority on the question.

Q. I appreciate your suggestions, of which I will take advantage; but my question is: Am I right or wrong when I think that the Zionist Society is an organization to counteract anti-semitism in the world?—A. I do not know about the Zionist Society. If they are truly Zionists they mean this: that they work for the building up of a nation on the basis of race and religion. This is really the essence of Zionism; it is purely a national movement built upon concepts of race and religion.

Q. That is the positive factor of it; how about the negative one; is it not anti-semitism? I am sure you have heard a lot about it in the world; I want to be clarified because I know you have more knowledge of it than I have. Am I correct in thinking this organization is aimed at counter-acting the activities of anti-semitism in the world?—A. I would say that part of its activity, I believe, is to counteract anti-semitism, but it is not the main purpose of the society.

By Mr. Jaques:

Q. Would somebody, either Zionist or Arab, define semitism and define anti-semitism? That is something about which I would like to have a clear definition.—A. I would like to ask the Rabbi to explain it.

Rabbi SCHWARTZ: I do not think I should be asked. The Jews are the victims of anti-semitism. I cannot see the fairness of that question being addressed to a Jew. However, I think anti-semitism is an attempt to discriminate against the Jew and make it impossible for him to enjoy equal rights with his co-inhabitants in any particular country.

Mr. JAUQUES: Would you say that there is anti-semitism in Canada?

Rabbi SCHWARTZ: According to press reports I understand there is.

Mr. JAUQUES: According to the press?

Rabbi SCHWARTZ: According to what I hear or am told; according to my knowledge of certain aspects of life in Canada there is unfortunately, in certain parts of Canada, anti-semitism.

Mr. JAKUES: Was there any anti-semitism to speak of before Hitler?

Rabbi SCHWARTZ: There was anti-semitism before Hitler, but perhaps not so much. But there was a measure.

Mr. JAKUES: Hitler has got nothing to do with Canada.

Mr. LEGER: You have your right to elect members of parliament and to vote.

Rabbi SCHWARTZ: Jews enjoy full and equal rights in Canada. The problem of anti-semitism is that there are certain individuals and groups in this democratic country who would like to deprive Jews of those equal rights.

Mr. LEGER: There are some people who would like to put down the Jews?

Rabbi SCHWARTZ: Yes.

The CHAIRMAN: Order. If I may be allowed at this stage—I hope it is relevant, because I do not want to curtail discussion at this time. But we are now dealing with the Palestine question.

Mr. JAKUES: It is the whole basis of the claim.

Mr. WINKLER: Does not semitism include the semites as well as the Arabs?

By Mr. Jaques:

Q. The Arabs are a semitic people.—A. That is right. Actually, we Arabs are more semitic than most of the Jews.

Q. But anti-semitism does not apply to the Arabs.—A. There must be something wrong. I do not know why. If people are really anti-semitic, they must also hate the Arabs. I do not know which is correct.

Q. Can you define semitism, speaking as an Arab?—A. To me it has no significance at all. I am a semitic, but I do not think anybody is trying to rob me of my rights, except in Palestine.

By Mr. Winkler:

Q. Are Syrians or Armenians classed as semites?—A. Syrians, yes.

By the Chairman:

Q. The witness spoke of the Jews wanting a national home. It would be a natural instinct for that fine race to want a national home on account of their historical background and on account of the fact that they had kingdoms and national homes and governments at one time. In fact, they had two kingdoms; and it is natural for them to want a national home. I would mention the Jews in France. We have no attachment to France, but we do know there is a centre of culture there which means something, not only to us, but to the rest of the world; and it would be a natural thing for the Jewish people, eventually, to want a national home, no matter how small or how large it may be. I would like the witness to say that he is tolerant on that point and is not set against a national home for the Jewish people.—A. I think the Arabs have made it clear on all occasions that they have no objection to the Jews having a cultural and social centre in Palestine, a cultural centre of which they can be proud and to which they can contribute; but the Arabs will not tolerate political ambition; they will not allow an alien people to come in and dominate them politically in their own country and reduce them to a minority in an alien state because they believe that no other people on earth would tolerate it and they are just as human as anybody. They have no objections, however, to the establishment of a cultural centre or a social centre in which they could take pride and to which they could contribute.

Q. What would be the attitude of your people? In our discussion we must always keep in mind that the only nation in the world, during, let us say, twelve centuries that has tried to solve the Jewish question has been the British nation, the English-speaking countries. That is in their favour in the eyes of the world.

It is a mooted question; it is a very very intricate question. What would be your attitude towards eventual zoning in Palestine?—A. As I said before, gentlemen, I am speaking in my own personal capacity; I do not represent any organization, but I have a feeling that there is no desire whatsoever on the part of the Arabs to dominate—and I expressly stress the word “dominate”—the Jews in Palestine; but the Arabs do have every intention of preserving their territorial integrity of their country. There is a distinction. The Jewish community may enjoy local self-government in Palestine to an extent that will not conflict with the principle of the territorial integrity of Palestine. We have no desire to dominate their local affairs. We have no desire to tell them how to run their own local affairs in their towns, villages, and settlements; but it is essential, and I think you will all see my point, that the territorial integrity of Palestine should be preserved. Within that principle the Arabs would not object to giving them local self-government.

By Mr. Cote:

Q. How do you define “integrity of territory”?—A. The Arabs would not agree to a separate state in Palestine.

The CHAIRMAN: One who studies impartially the Palestine question will hardly fail to realize what you stated so fairly and broadmindedly, that the Jewish population have been of material benefit to the whole of Palestine, that they brought with them the characteristics of their race, thrift and industry, that they benefit the interests of the rest of the country, both Zionist and Christian through the money, the tremendous sums of money, that were contributed towards the success of their movement. It might be due to the threat of the Arabic countries, but it has been maintained time and time again. It is not a prejudice of mine or any member of this committee. Generally speaking the Arabs are naturally nomads due to their geographical position. They are not particularly interested in industry. I do not mean they are not thrifty or industrious as a lot of people are led to believe, but the suggestion is made that they get into competition with the Jewish world and that they are not ready or willing to carry the pace with them in industrialization or as regards the new code of living in our present civilization.

The WITNESS: I wish to correct a few statements—

The CHAIRMAN: They are not statements. This has been said.

The WITNESS: Yes. You have said the Jews introduced industry to the country, but I do not think in the long run or taking the long view that the Arabs materially have benefited from the Jewish schemes.

The CHAIRMAN: But the country has.

The WITNESS: Yes, the country, but what of the people? When you speak of Canada as a country primarily you mean the people of Canada. If the development of Canada is not for the benefit of the inhabitants of Canada that development I would say is definitely undesirable. Unless it is for the benefit of the people of Canada you are not going to allow the United States of America to bring capital into Canada to make it a paradise for the people of the United States of America; you want them to come to help you to develop the country for your own benefit. I say and I maintain that the Zionist scheme in Palestine has never been designed for the benefit of the inhabitants of Palestine. They have a closed economy for the benefit of that section of the people of Palestine known as the Jews. It was planned solely for that purpose. As I said before it was stated in the Crane-King Commission interviews with Zionist leaders that they (Zionists) plan to dispossess the Arabs of Palestine.

By Mr. Cote:

Q. Was it not published in the New York Times also?—A. Yes. I can send a copy to you if you like. I have a photostat copy.

Q. Was it not published in the New York Times?—A. I think it was published in the New York Times.

By Mr. Leger:

Q. The members of this committee have asked numerous questions with a view to having the Canadian public enlightened on the Arab problem as well as on the Zionist or Jewish problem. We also asked numerous questions of the Jewish representatives. I wish to personally thank you very kindly for the information you have given us to-day.—A. Thank you very much. We appreciate and we are very grateful for this privilege of appearing before this august body.

Mr. JAUQUES: I have one question I would like to ask.

By Mr. Jaques:

Q. What would you regard as Canada's responsibility in regard to Palestine?—A. We are discussing to-day in a committee of the House of Commons the Palestine question, and I think it is pertinent to ask how Canada comes into this matter.

Mr. COTE: I think it is easy to understand. I will ask the chairman to explain. I think the world has shrunk, and the time has gone for England or the U.N.O. or any other international organization to decide on the Palestine issue unless we are consulted.

The CHAIRMAN: And to do our duty we have to be well informed on this subject. These meetings have been a privilege to us.

The WITNESS: The privilege is ours. There are legal responsibilities which bind Canada to this question. As you may know the Canadian government has been a signatory to the covenant of the League of Nations; they have a responsibility with regard to the Palestine question as part of the mandate. In that section which your government has signed, gentlemen, there is a specific obligation. You are among those who recognize the provisional independence of Palestine. That was in 1922, and it is your responsibility, gentlemen, to see that that responsibility is carried out.

Mr. LEGER: Are you fully aware that the order of reference given to this committee does not permit us to make a report to the House of what we have heard either from the Zionists or from the Arabs?

The CHAIRMAN: It is recorded then in the record.

Mr. LEGER: Our order of reference does not permit us to make a report. The only thing is, we will have that on our record. That is all.

By Mr. Jaques:

Q. With regard to General Morgan's statement, what is the usual condition of Jewish refugees arriving in Palestine?—A. Would you allow me to ask Dr. Kheirallah, if he could answer that.

Dr. KHEIRALLAH: I think, gentlemen, you have all read about General Morgan and how he has been villified, although he was a man of great accomplishment and true sincerity. You will remember that they tried to throw him out and the press, under the thumb of certain people who pay for the advertisement, villified him. You know as much about it as I do. Really the question should not be asked. I leave it to you.

Mr. JAUQUES: When did these Jewish refugees arrive in Palestine?

Dr. KHEIRALLAH: The whole scheme, ever since the war, has been that the Zionists have been permitted to go and run through all the camps everywhere and to encourage and promote these people by telling them there is no place open for them to go to but Palestine, where we will do this and do that for you. I had a discussion with the president of the Zionist organization, Dr. Goldstein, and with Mr. MacDonald. They both stressed the point of the desire of these people, and both men had gone through the camps. What I said to Mr. MacDonald over the radio, slowly and specifically is this, that to desire a thing or to covet it is not a sufficient reason to possess it. And this is the case. When General Morgan saw them coming, by the hundreds and the thousands, he saw the situation and felt it to be his duty to state the facts, for this he was villified beyond measure. It has been a very nasty sort of fight. We semites have been villified, by the Zionist and have let go. We say: "May the Lord take care of the hindmost."

The CHAIRMAN: Are you finished with your questioning, Mr. Jaques?

Mr. JAUQUES: I think so, yes.

By Mr. Jaenicke:

Q. I should like to have a short explanation of the system of taxes in Palestine?—A. There are both direct and indirect taxes. The direct taxes are such things as customs and income tax, and there are also agricultural taxes.

Q. Are there land taxes?—A. Yes, it is called there the rural property tax. For the purpose of taxes, land in Palestine has been divided into eighteen categories according to fertility, and each category has to pay taxes so much per dunam.

Q. Is that the largest source of revenue, that tax?—A. No, direct taxes are by far the heavier source of revenue.

Q. Is there an income tax?—A. There is an income tax and there is customs.

The CHAIRMAN: They have a high degree of civilization there as well.

By Mr. Jaenicke:

Q. The income tax is mostly borne by industry?—A. No, it is paid according to income. Even the government officers have to pay it. I had to pay it, and everyone has to make an annual declaration of his income according to the law.

Q. What would be the years' budget at the present time?—A. Last year it was something like £18,000,000.

Q. What would it be for the year 1917?—A. It was very small.

Q. Would you venture to guess?—A. I would not venture a guess; it was much smaller then.

By Mr. Cote:

Q. That means that there is a tremendous increase in the national wealth?—A. No, there was this change during the wartime; to a certain extent, yes, but what I meant to say was that it does not mean a proportionate increase in the wealth for example, the government budget before the war was something like £7,000,000 or £8,000,000; whereas now it is around £18,000,000. The increase is due to inflation and not increase in national wealth.

Q. It has more than doubled.—A. There was inflation; the rise of the budget was due to inflation of money, and that is explained by the fact that a lot of fiat money had to be issued during the war, with the result that the cost of living rose. It is a very complicated matter. You cannot say that because during the war taxes have doubled, your budget has doubled, that there was double capacity of the country. It does not follow.

By the Chairman:

Q. You do not know the answer about the Arabs being nomads and primitive?—A. Only a small section of the Arabs of Palestine live in the nomadic state; they are treated by the government statisticians as a constant figure and have been so treated for the past ten years. They number some 50,000. They do not increase or decrease;

The CHAIRMAN: I believe that one of our members, Mr. Leger, has already expressed the general sentiment of our committee by way of appreciation of your presence here and your fine behaviour and delivery. As Mr. Leger has said, we have no power of recommendation in our committee on External Affairs; but we have the power to report everything said. Consequently, everything said here will be reported and mentioned in our report. It was one of the finest national forums one could have on behalf of both sides, to provide them with the opportunity of voicing both sides of the question. Both sides loyally recognize what Great Britain has done in the matter, and they realize the sacrifices. She was the only nation to attempt to tackle the intricate problem. I, for one, believe it will be possible to find a solution. I am not a married man, but I believe marriage owes much of its success to compromise.

I would thank all the members of this committee, not only for their patience, but for the interest they have shown in our deliberations. It is our intention to proceed as quickly as we can with our report which is in embryo form at the present time. I would not take upon myself the responsibility of formulating it; but if you will leave it to me, I shall call a general meeting of all the committee in order to discuss what should be included in that report. I offer a tentative date at this time, which will likely be half past eleven next Tuesday. Thank you again.

Dr. KHEIRALLAH: And we thank you, sir.

The committee adjourned at 5.50 p.m., to meet again at the call of the chair.

APPENDIX A

The following questions are rendered by H. W. Winkler M.P. of the External Affairs Standing Committee of the House of Commons and answered by Herbert A. Mowat, Executive Secretary of the Canadian Palestine Committee.

1. On British Security in the Middle East.

What would be the effect of a strong Jewish national home of the British position in the Middle East from the point of view of security?

A.—It is claimed on the highest level of military authority that the security factor of the British Imperial Policy in the Middle East would be best served of a progressive and flourishing National Home or State for the Jewish people. It is claimed that the late High Commissioner of Palestine, the Late Field Marshal Lord Gort, leaned strongly to this view.

The strategical concept of a strong Jewish community in Palestine has been developed in detail by W. E. Hart, a British military correspondent, who has written a brochure on the subject entitled *Defence of the Middle East*. The introduction to the brochure is written by General Sir G. Le Q. Martel, K.C.B., D.S.O. etc. late Director of Armoured Warfare in the British Army and Chairman of the British Military Mission to Russia in 1942. He accepts the author's view as worthy of the most serious consideration. The following from *Defence of the Middle East* is worthy of special mention:

... strategical problems ought to help us to understand the most pressing and urgent problem of the Palestine of today that is the immigration policy. To discontinue full immigration into Palestine means to deny to the British Empire the finest recruiting material that could be found in the Middle East. Why should Jewish immigration be stopped or limited to a minimum? Because Arabian interests have to be safeguarded? Because Arabian activities might in reply to a full immigration policy disturb the peace of the Middle East? Because the Arabian section might be inclined to put their own immediate interests higher than those of the British Empire? The questions carry their own answers.

Why does not the Arabian world itself endeavour to produce an industry and a population with conditions that would make possible the installation of an almost self-sufficient defence force? The reason is not only that they are incapable of doing so, but that they have no interest in seeing a strong British Middle East position in the military field.

No one could mistake sporadic outburst by Jewish extremists for a general pan-Zionistic or other fantastic scheme. They are signs that already a negligible proportion of the Jewish population in Palestine are discontented and are mistakenly irritated into using the wrong language, that of violence.

Here lies the difference between the Arab and Jewish community in this region: the first (Arab) has always sought development outside the framework of the Empire; the second has never schemed or planned any future except within that Empire. . . . The cut in Jewish immigration into Palestine means a reduction in manpower necessary for the defence of the Middle East. Or can there be any suggestion that a large majority of the manpower and recruiting material that has come into that part of the Empire—well-educated and highly civilized people—could be found anywhere else in Europe or America? Hardly an Englishman or an American, unless he is a Zionist, could be induced to settle in Palestine

for its better defence Why does not the Arab section (of Palestine) produce the technically minded majority? Does any sensible recruiting officer recommend an illiterate man for an anti-tank crew, as the driver of a Sherman tank, or an air observer?

Any enemy of the British Empire, realizing that he would face in his attack on Suez and Alexandria some three or four locally recruited armoured divisions and even a comparatively small force of airborne troops plus trained desert and mechanized infantry, will hesitate and may well be deterred.

2. Q. The American stake in the Middle East.

What are the stakes of the United States in the Middle East at present and how are they related to the question of Zionism?

A. The high-ranking officers responsible for the planning of United States security already have been protesting vigorously that the war was won by the burning up of western hemisphere oil reserves to the great advantage of the eastern hemisphere oil reserves. The greatest oil reserves of the world are in the region of the Persian Gulf and they contend that American policy in the Middle East must be as realistic as the needs of the greatest oil-burning power of the world require. Persian Gulf reserves are said to be close to 100,000,000,000 barrels (one hundred billion barrels) as compared to less than 40,000,000,000 barrels under the control of U.S.A. in the western hemisphere. Forty per cent of the oil of the Persian Gulf area is under the territories of Saudi Arabia and the Standard of California and Gulf Oil have a concession on these reserves of oil which started in 1933 and runs until 1999. In addition the United States controls 23 per cent of the oil reserves of Iraq, and 50 per cent of the reserves in Kuwait. The United States is more heavily interested in the Persian Gulf region than is Great Britain, from the point of view of the magnitude of oil resources potential within the concessions of United States oil corporations.

The policy of the oil corporations has been that of appeasement of the local Arab rulers, to get the oil out of the country on a royalty basis with a minimum of political friction. They therefore advise appeasement of the Arab rulers, even at the cost of liquidating the National Home for the Jewish people as the price of Arab conciliation. The spectre of a western hemisphere dry of oil while there is still an abundance of oil reserves in the eastern hemisphere still haunts the General Staff at Washington, and the maintenance at all costs of the United States title to these Persian Gulf oil reserves depends, at the moment on the strength of the British position in the Middle East, just as the resources of the British in the Pacific area or zone is to-day guaranteed by the ascendancy of American military power in the Pacific. The American problem at the moment is to what extent she will underwrite the British policy in the Middle East in general, and in Palestine in particular, especially in collaboration with Britain on the matter of a settlement in Palestine satisfactory to Britain's original pro-Zionist policy of 1917. The present negotiations in London are undoubtedly dealing with the extent to which the United States should increase her active participation in Palestinian and Middle Eastern Affairs. Zionists are strongly representing to the American government that the prospective settlement in Palestine and the Middle East must not be at the expense of the Jewish National Home.

3. British Association for the Jewish National Home.

What attitude is there at present on the part of the non-Jewish group in Britain corresponding to the Canadian Palestine Committee? Have they recently expressed themselves on the Palestine situation?

A. Sir Wyndham Deedes is the President of the British Association for the Jewish National Home and, in a recent statement signed by Sir Andrew MacFadyen the Acting-Chairman, the policy of the British Government was severely criticized for its failure to execute the mandate and to implement the short range policy recommendations of the Anglo-American Committee re the admission of the 100,000 Jewish victims of Nazi and Fascist persecution to Palestine.

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SESSION 1946

HOUSE OF COMMONS

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

TUESDAY, JULY 30, 1946

Including

SECOND REPORT

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1946



MINUTES OF PROCEEDINGS

TUESDAY, July 30, 1946.

The Special Committee on External Affairs held an executive meeting at 11.30 o'clock. The Chairman, Mr. Bradette, presided.

Present: Messrs. Boucher, Bradette, Breithaupt, Coldwell, Fraser, Graydon, Hackett, Jackman, Knowles, Leger, Low, Mutch, Picard, Sinclair (Ontario), Tremblay and Winkler.

The Clerk read correspondence exchanged with the Department of External Affairs and the Committee decided to print same. (*See appendices A, B, C and D to this day's minutes of proceedings.*)

The Chairman proceeded to the reading of a draft report.

On motion of Mr. Leger, the Committee adopted the report as amended and agreed to its presentation to the House.

At 12.45, the Committee adjourned *sine die*.

ANTONIO PLOUFFE,
Clerk of the Committee.

APPENDIX A

OTTAWA, June 25, 1946.

SIR,

Herewith, a copy of a telegram relating to the Passport Office and read by Mr. Low, M.P., at the opening of the last meeting of the Standing Committee on External Affairs.

Yours truly,

ANTONIO PLOUFFE,
Secretary of the Committee.

Enclosure: as stated.

H. H. WRONG, Esq.,
Associate Under-Secretary of State for External Affairs,
East Block,
Ottawa.

APPENDIX B

To Mr. SOLON LOW, M.P.,
Ottawa, Ont.

Sir a large number of men who have returned from overseas are deserting their wives and families and are returning to England to women who they have been associated with for the past few years stop the passport officer states that he cannot refuse passports to these men as they would be interfering with their civil rights stop I consider it is the duty of your government to prevent this as if it had not been for the fact that your government declared war these men would have been happily settled with their wives and families stop while it is true that a man has civil rights it is also true that his wife and family have rights too stop this is a very serious matter and I trust that you will take the necessary steps to see that the men concerned are compelled to remain in this country and shoulder their responsibility of providing for their wives and families and not throwing this responsibility on the shoulders of the municipalities

(Signed) Williams Secty Mgr Canadian Legion Edmonton

APPENDIX C

DEPARTMENT OF EXTERNAL AFFAIRS

CANADA

OTTAWA, July 26, 1946.

DEAR SIR,

With reference to your letter, dated June 25, enclosing copy of a telegram relating to the Passport Office and read by Mr. Low, M.P., to your Committee, I am enclosing a copy of a letter which has been sent to Mr. Williams, Secretary-Manager of the Canadian Legion at Edmonton, Alberta.

Yours very truly,

H. H. WRONG,
*Acting Under-Secretary of State
for External Affairs.*

The Secretary of the Standing
Committee on External Affairs,
House of Commons,
Ottawa.

APPENDIX D

OTTAWA, July 26, 1946.

DEAR SIR:

The Prime Minister has referred to me your telegram of June 22 concerning the possibility of refusing to issue passports to former members of the Canadian armed forces who wish to leave Canada and desert their wives and families in this country.

Your telegram has received careful consideration and, while I fully realize the desirability of endeavouring to protect the interests of the dependents to whom you refer, I do not think that the method suggested would be a practical or desirable one.

A passport is not an exit permit. It is really a document of identification which is acceptable in all countries. As such it is normally and should properly be issued only to certify nationality for external purposes. If it were to be used for other purposes, such as to prevent the movement of certain persons out of Canada, it would be necessary to alter the entire basis of administration of passports. If passports were to be refused to ex-servicemen going to the United Kingdom to desert their wives and children, it would be necessary to have some adequate method, both of identifying such persons and of ensuring that perfectly legitimate travel was not impeded by frivolous complaints. There would have to be enquiries as to service, check with defence department, notification to wives of requests for passports; and an adequate period of delay to enable a wife to file a protest against issuance. Finally there would have to be some procedure for hearing disputed cases and determining the facts. There would have to be decisions which would really amount to judgments as to dependency and desertion. There would have to be provision for appeal and so forth. I think you will readily appreciate that all this would be a problem of very great difficulty, and would really be a case of handling in an administrative department what is essentially a judicial problem and function.

Whether it would be feasible for a provincial legislation or for the federal parliament to devise legislation that would adequately meet the problem of desertion, I do not know. However, I feel convinced that it would not be possible to approach it in the manner you suggest.

Yours sincerely,

H. H. WRONG,
*Acting Under-Secretary of State
for External Affairs.*

W. J. WILLIAMS, Esquire,
Secretary-Manager,
Canadian Legion,
Edmonton, Alberta.

WEDNESDAY, July 31, 1946.

The Standing Committee on External Affairs begs leave to present the following as its

SECOND REPORT

Complying with an Order of Reference dated May 10, 1946, your Committee has given consideration to Votes 41 to 56, both inclusive, of the Estimates of the Department of External Affairs for the current fiscal year.

Your Committee has held twenty meetings in the course of which Mr. H. H. Wrong, Associate Under-Secretary of State for External Affairs, and chiefs of the various divisions of that department have been heard.

Evidence has also been taken from Mr. F. P. Varcoe, Deputy Minister of Justice, with respect to War Crimes Regulations (Canada), and from Mr. A. L. Joliffe, Director of Immigration, Department of Mines and Resources, regarding the regulations affecting the admission of immigrants to Canada.

One sitting was devoted to the activities of the United Nations Society in Canada, when Mr. Eric W. Morse, National Secretary, was heard.

Your Committee approves of the said Estimates, Votes 41 to 56, and commends them to the consideration of the House.

Your Committee recommends that the Government consider the advisability of extending the validity period of passports from two to five years and of having passport application forms available in all appropriate government offices including post offices in all cities, towns and centres of population of 1,000 or more in Canada.

Your Committee suggests that the Government consider the possibility of devoting one hour per week in the House of Commons to international developments and conferences.

On the question of Financial Commitments, your Committee recommends that the Department of External Affairs take whatever steps are necessary to insure adequate controls over expenditures of Canada's contributions to the various International Bodies on which Canada is represented.

A request to appear before the Committee having been received from the Zionist and Arab Organizations of Canada, your Committee felt that it should grant their request and consequently both Organizations were heard on July 12, 19 and 22.

Your Committee wishes to pay tribute to the co-operation afforded by the officials of the Department of External Affairs and to other witnesses.

A copy of the proceedings and evidence taken is appended.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

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